

# DETAILED PROJECT REPORT

Cluster Location: PURI, ODISHA  
(Radharani Coir Cluster, Puri, Odisha)



SUBMITTED TO  
COIR BOARD, KOCHI



PREPARED BY

**ITCOT CONSULTANCY AND SERVICES LIMITED**

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## Executive Summary

<b>Name of the cluster</b>	Radharani Coir Cluster, Puri, Odisha
<b>Type of cluster</b>	Regular cluster
<b>Location &amp; Spread of the cluster</b>	Radharani Coir Cluster is mainly spread over in two blocks viz., Satyabadi and Puri Sadar blocks. Majority of the coir artisans are located in 18 villages & hamlets in Satyabadi block and 6 villages in Puri Sadar block. The Geographical spread of the cluster measures about 10-15 Km radius.
<b>Product range</b>	The following products are produced in the cluster presently. <ul style="list-style-type: none"> <li>• Coir fibre</li> <li>• Coir Yarn</li> <li>• Coir Mat</li> </ul>
<b>Size of cluster &amp; Type of units</b>	The total number of beneficiaries estimated to be around 500 members and it is 100% women artisan cluster.
<b>Key concern areas</b>	<ul style="list-style-type: none"> <li>• Providing continuous engagement for the artisans is the dire need for their sustainable livelihood.</li> <li>• Need for Skill upgradation of artisans mandatory to improve the quality of mats and handicrafts products.</li> <li>• The process followed by majority of cluster artisans is manual and obsolete with specific reference to making of 2 ply yarn. In spite of availability of new machinery, the entrepreneurs are reluctant to adopt new machinery due to lack of awareness and also lack of finance.</li> <li>• Even though husk availability is ample, fibre extraction activities are limited within the cluster. Husk collection system needs to be strengthened within the cluster.</li> <li>• Skill upgradation of artisans needed to improve the finishing quality of mats and handicrafts products.</li> </ul>

## Proposed Strategic Interventions

### Soft Interventions:

- Capacity Building initiatives
- Market Promotion initiatives

### Hard Interventions (Common facility creation):

The Common facility center is proposed to be established in 7 locations considering the accessibility of the location by the artisans.

- **CFC-I:**
  - Automatic Coir Yarn spinning (2 Nos.)
  - Mat making
  - Moulded items, Handicrafts & Idols making
  - Design Development Centre
  - Storage Godown
- **CFC-II:**
  - Automatic Coir Yarn spinning (2 Nos.)
  - Mat making
  - Moulded items, Handicrafts & Idols making
- **CFC-III:**
  - Automatic Coir Yarn spinning (1 No.)
  - Mat making
  - Handicrafts & Idols making
- **CFC-IV:**
  - Automatic Coir Yarn spinning (1 No.)
  - Mat making
  - Handicrafts & Idols making
- **CFC-V:**
  - Automatic Coir Yarn spinning (1 No.)
  - Mat making
  - Handicrafts & Idols making
- **CFC-VI:**
  - Automatic Coir Yarn spinning (1 No.)
  - Mat making
  - Handicrafts & Idols making
- **CFC-VII:**
  - Automatic Coir Yarn spinning (1 No.)
  - Mat making
  - Handicrafts & Idols making

	<p><b>Thematic Interventions:</b> Participation in activities such as national and international level brand promotion campaigns, New Media marketing, E-commerce initiatives etc., as detailed in the SFURTI implementation guidelines</p>																																	
<b>Budget for Soft interventions</b>	Rs.14.00 lakhs																																	
<b>Budget for Hard interventions</b>	Rs. 161.40 lakhs																																	
<b>Total Project Cost including Agencies cost</b>	Rs. 201.22 lakhs																																	
<b>Means of Finance</b>	Grant under SFURTI scheme : Rs. 185.08 lakhs IA/SPV share : Rs. 16.14 lakhs																																	
<b>Post Intervention Scenario (Expected Impact)</b>	<table border="1"> <thead> <tr> <th rowspan="2">S. No</th> <th rowspan="2">Parameter</th> <th rowspan="2">Pre-Intervention</th> <th colspan="3">Post-intervention</th> </tr> <tr> <th>Y 1</th> <th>Y 5</th> <th>Y 10</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Cluster Turnover (Rs. Lakhs)</td> <td>150.00</td> <td>380</td> <td>438</td> <td>550</td> </tr> <tr> <td>2</td> <td>Investment (Rs. Lakhs)</td> <td>65.00</td> <td>285</td> <td>320</td> <td>400</td> </tr> <tr> <td>3</td> <td>Wages / day (Rs.)</td> <td>120.00</td> <td>200-220</td> <td>300-320</td> <td>450-480</td> </tr> <tr> <td>4</td> <td>Profitability (%)</td> <td>8-10%</td> <td>18-20%</td> <td>18-20%</td> <td>18-20%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>➤ Sustainable livelihood for artisans engaged in cluster activities.</li> <li>➤ Strengthened backward (input procurement) and forward linkages (market).</li> <li>➤ Establishment of new units by converging various schemes of State and Central Governments (such as CITUS, PMEGP etc.) resulting in additional investments and employment in Coir sector by the cluster members</li> <li>➤ Improved access to financial capital for cluster members</li> <li>➤ 100% Coverage of cluster artisans under social</li> </ul>	S. No	Parameter	Pre-Intervention	Post-intervention			Y 1	Y 5	Y 10	1	Cluster Turnover (Rs. Lakhs)	150.00	380	438	550	2	Investment (Rs. Lakhs)	65.00	285	320	400	3	Wages / day (Rs.)	120.00	200-220	300-320	450-480	4	Profitability (%)	8-10%	18-20%	18-20%	18-20%
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	security schemes
<b>Cluster Management - Post interventions</b>	<p>The cluster is proposed to be developed under SFURTI (Scheme of Fund for Regeneration of Traditional Industries). The Coir Board is the Nodal agency (NA) and ITCOT Consultancy and Services Limited is the Technical Agency (TA) appointed by Coir Board. <b>M/s.Jaya Durga Mahila Samity</b>, having its registered office at Balapur Post, Satasankha Via, Sathyabadi Block, Puri District is proposed as the Implementing Agency.</p> <p>Special Purpose Vehicle (SPV) is formed and registered as Trust in the name of "<b>M/s Radharani Coir Association</b>" as per the Trust Deed dated 12.12.2017. The registration has been carried out with 7 trustees, who have evinced interest are proposed to be included as shareholders. The SPV will be strengthened to manage the Cluster activities in sustainable nature after the project implementation is over.</p>

# 1 Preamble

India is the largest coir producer in the world accounting for more than 80 per cent of the total world production of coir fibre. Coir is popularly known as the 'golden fibre.' It is a natural fibre extracted from fibrous husk of the coconut shell and is used to make a wide range of products such as ropes, mats, mattresses, baskets, brushes, brooms etc.

Coir's global production is about 350,000 tonnes. India and Sri Lanka being the major producers of coir, account for 90 per cent of the world production. Coir industry in India is an important cottage industry contributing significantly to the economy of the major coconut growing States and Union Territories, i.e., Kerala, Orissa, Tamil Nadu, Andhra Pradesh, Karnataka, Maharashtra, Assam, Goa, Andaman & Nicobar, Lakshadweep and Pondicherry. About 5.5 lakh get employment, mostly part time, from this industry. Exports from the coir industry are around Rs 70 crore. Coconut husk is the basic raw material for coir products. At least 50 per cent of the available coir husk is used to produce coir products. The rest is used as fuel in rural areas.

India has made unprecedented progress in coconut cultivation from mid 2014 to 2018 and now it has become the leading country in coconut production and productivity. Productivity increased to 11516 fruits per hectare in 2017-18 as compared to 10122 in 2013-14. Between 2014 and 2018, 13,117 hectare was brought under new plantation as compared to 9,561 hectare during 2010-2014. The coconut production in Odisha was 341.68 million nuts in 2016-17. It increased by 13.98 million nuts as compared to the year 2015-16.

The Industrial utilization of coconut husk was very low in India. With the implementation of various schemes of the Coir Board the Industrial use of coconut husk has picked up in the non-traditional areas such as Tamil Nadu, Karnataka, Andhra Pradesh, Orissa, Gujarat, Maharashtra, West Bengal, Assam, Tripura, Andaman Nicobar Islands, Lakshadweep islands etc.

With a view to making the traditional coir industries more productive and competitive and facilitating their sustainable development, the Central government has announced Scheme of Fund for Regeneration of Traditional Industries (SFURTI). Coir Board has entrusted the task of preparation of Detailed Project Report for the Coir Cluster located at Puri District, Odisha to ITCOT



Consultancy and Services Ltd. Accordingly, ITCOT has prepared the Detailed Project Report (DPR) for submitting the same for seeking final approval from the Scheme Steering Committee (SSC).

This report is prepared based on interaction with coir industrialists in the clusters, coir industry workers, industry association members, NGO's and support institutions in the district, Informal interviews with industry participants, machinery suppliers and experienced entrepreneurs, collection of secondary information etc.

**The Chapter scheme of the Detailed Project Report is as follows:**

*Cluster Profile is given in Chapter 2. Cluster Value Chain mapping is given in Chapter 3. Market assessment and Demand Analysis is given in Chapter 4. SWOT and Need Gap Analysis is given in Chapter 5. Profile of the Implementing Agency in Chapter 6. Project Concept and Strategy Framework are detailed in Chapter 7. Core SFURTI Project Interventions are given in Chapter 8. Detailed analysis of Soft Interventions is given in Chapter 9 and analysis of Hard Interventions is given in Chapter 10. Project Cost and Means of Finance is given in Chapter 11. Plan for Convergence Initiatives are given in Chapter 12. Enhanced Project Cost and Means of Finance are given in Chapter 13. Project Timeline is illustrated in Chapter 14. Detailed Business Plan is given in Chapter 15. Proposed Implementation Framework is given in Chapter 16. Expected Impact is detailed in Chapter 17.*

## 2 Cluster Profile

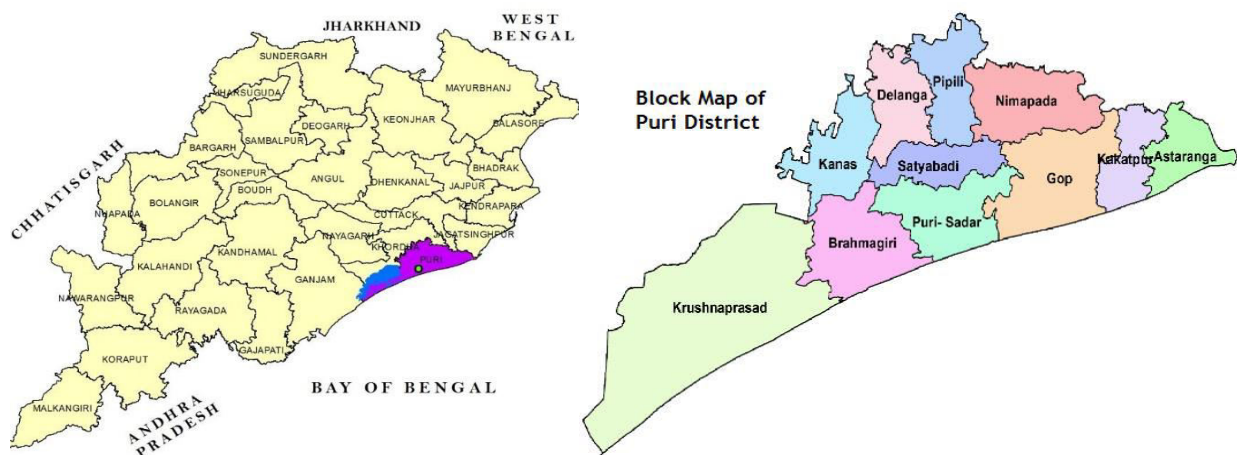
### 2.1 Background

Puri District is a coastal District on the eastern part of Odisha. It covers an area of 3479 sq.kms having 155 Km as coast line along with the Bay of Bengal. Though the district has a share of only 2.2% of the total geographical area of the State, it contributes around 3% of the Gross Domestic Product of the State. As per occupational pattern, agriculture is the primary occupation of the district.

This district comprises 1715 revenue villages. It has one subdivision (Puri Sadar), 11 taluks and 11 blocks. Puri is the only municipality in the district. It is bounded by the Khordha district in the North, Bay of Bengal in the South, Jagatsinghpur district in the East and Ganjam district in the west. Most of the industrial activities in and around Puri centre are in the form of art craft and handicraft. The district is also endowed with marine resources with store house of large and diverse quantities of fish and prawn and also other materials resources except mineral resources. The major product of the district is paddy, coconut, vegetables and oil seeds. With a network of rivers, the land is very fertile and very thickly populated. Despite having plenty of water, marine and agricultural resources, the district remains backward from the point of view of industry as there is no large and medium scale industry at present. The micro and small scale industries are also not vibrant in the district.

### 2.2 Regional setting of the Cluster

The regional setting of the cluster extends over two Blocks in Puri District viz Satyabadi and Puri Sadar. The block map of Puri district is given below:



### 2.3 Location

Radharani Coir Cluster is mainly spread over in two blocks viz., Satyabadi and Puri Sadar blocks. Majority of the coir artisans are located in 18 villages & hamlets in Satyabadi block and 6 villages in Puri Sadar block. The Geographical spread of the cluster measures about 10-15 Km radius.

### 2.4 Evolution of the Cluster

Odisha is one of the major coconut producing states of the country, where about 50,906 hectares of land is under coconut cultivation with overall production of 3277 lakh nuts. The total coconut cultivation area of Puri district in 2015-16 is 9468.00 hectares, coconut production is 743.76 lakh nuts and the productivity is 7,856.00 nuts per hectare.

The details of area of cultivation, production and productivity of Coconuts in Puri district is given below:

Year	Area (Ha)	Production (Lakh Nuts)	Productivity (Nuts/Ha)
2010 - 2011	9994.00	756.95	7574.00
2011 - 2012	9986.00	859.47	8607.00
2012 - 2013	9992.00	869.22	8699.00
2013 - 2014	9456.00	687.02	7265.00
2014 - 2015	9456.00	687.02	7265.00
2015 - 2016	9468.00	743.76	7856.00
<b>Average (2010-16)</b>	<b>9725.33</b>	<b>767.24</b>	<b>7889.00</b>

### 2.5 Demography and Growth trends

The statistical data of Puri district as per Census 2011 and the growth aspects with respect to Census 2001 is given below:

Description	2011	2001
Actual Population	1,698,730	1,502,682
Male	865,380	763,389
Female	833,350	739,293
Population Growth	13.05%	15.12%
Area Sq. Km	3,479	3,479

Description	2011	2001
Density/km <sup>2</sup>	488	432
Proportion to Orissa Population	4.05%	4.08%

The district of Puri is the main attraction of tourists and Hindu devotees. Thus it presents a culture of assimilation and thus its demographic features may manifest some of its influence. The population of the district is enumerated in 2011 Census to be around 17 lakh of which 50.94 percent are males and 49.06 percent females. The decadal growth rate during 2001-2011 is 13.05 percent. The area of the district is 3479 sq.km, thus the calculated population density is 488 persons per sq km. The percentage of population living in urban area is 15.60.

The Scheduled Caste population is 19.14 percent of the total population and of these the Bauri 31.2%, Bhoi 18.20% and Dewar 15.17% are the major castes. The Scheduled Tribe population is only 0.30 percent. Even among this small segment of Tribes the largest three as indicated percentage to total Tribal population are Kondadora 20.62%, Shabar 20.62% and Saora 9.73% etc. Among the major religious groups of the district is Hindu 91.15%, Muslims 2.55% and Christian only 0.18%. The major towns are Puri, Nimapada and Konark having population 157,837, 16,915 and 15,013 respectively. The district has four towns and 1715 number of villages of which 1591 are inhabited.

## 2.6 Socio-economic aspects

The significance of coir industry arises primarily from the fact that a large number of people from the economically weaker sections of the society depend on this industry at the current level of production of coir, the industry utilizes about 40% of the annual yield of coconut husk in the country. There is possibility to increase the utilization to at least 60% of husk production. Therefore, there exists vast potential for stepping up of production of coir in India. The increased utilization of coconut husk abundantly available in the coconut growing states of India provides scope for development of fibre processing sector and thereby augmenting rural employment.

## 2.7 Human Development Aspects

In Puri district out of total population, 621,676 were engaged in work activities. 72.5% of workers describe their work as Main Work (Employment or Earning more than 6 Months) while 27.5% were involved in Marginal activity providing livelihood

for less than 6 months. Of 621,676 workers engaged in Main Work, 147,402 were cultivators (owner or co-owner) while 79,505 were Agricultural labourers.

The Coir industry is agro based industry capable of providing rural employment, mostly to women. There are 64 coir industries (39 working & 25 defunct) in Puri district. Out of which 23 are fiber extraction units, 33 automatic yarn spinning units and 8 fiber extraction cum automatic spinning units. The cluster consists of 1187 SHG member artisans and they are actively involved in yarn making, door mats making with dyed yarn in different colours.

## 2.8 Key Economic Activities in the region

- Agriculture is the main source of livelihood of people of Puri district. According to the Census of 1991, 2001 & 2011 about 18.73 percent, 18.01 and 20.40 percent of the population depend on agriculture and allied works.
- There are several small and medium scale industries in Puri that play a phenomenal role in shaping the district economy. Tourism, handicrafts and cottage industries are an important segment of the economy.
- The coastal location of Puri facilitates the burgeoning of fishing and its allied industries. Agro based industries, forestry units, marine based industries, units manufacturing leather and leather products as well as tourism have mushroomed in the district.
- Tourism forms the focal point of the district economy and generates a substantial amount of revenue. This industry shares a major portion of the economic map of Puri and it mainly revolves around the renowned Lord Jagannath temple. Many people are earning their living around the temple of Lord Jagannath.
- The handicraft industry and cottage industries have also flourished widely in Puri. Textile manufacturing that includes hand woven saris, dress materials, linen, bedspreads and towels form the means of livelihood for many.
- The handicraft and cottage industry also include silver filigree work, stone carving, bone work, horn work, applique work, patta painting, bamboo sticks, artifacts made of sea shell, bell metal ware, coir and furniture making.

## 2.9 Infrastructure - social, physical, financial and production related

The infrastructure details of Puri district is tabulated as below:

S.No	Indicator	Details	
1.	Total Geographical Area	3479 Sq.Km	
2.	Population	1,698,730	
		<b>Male</b>	<b>Female</b>
		865,380	833,350
		<b>Rural</b>	<b>Urban</b>
		14,33,800	2,64,930
3.	Population Growth	13.05%	
4.	Population Density	488 (Per Sq.km)	
5.	Sex Ratio (per 1000 males)	963 females	
6.	Literacy rate	84.67%	
		<b>Male</b>	<b>Female</b>
		90.85%	78.28%
7.	Administrative Setup		
	No.of municipality	1	
	No.of Sub-divisions	1	
	No.of Blocks	11	
	No.of Villages	1722	
	No.of Villages (Inhabited)	1591	
	No.of Gram Panchyats	268	
8.	Agriculture		
	Total area	279000 Ha	
	Non Agricultural Land	58000 Ha	
	Area available for Irrigation	188000 Ha	
	Net sown Area	136000 Ha	
	Gross cropped Area	258000 Ha	
	Barren & Uncultivated Land	8000 Ha	
9.	Forest Area	14000 Ha	
10.	Transport Infrastructure		
	Road length (NH, SH, MDR & ODR)	603.48 Kms.	
	Length of rail network	42 Kms.	
11.	Commercial Banks & Branches	31 & 188 Nos.	
12.	Education		
	Primary Schools	1296 Nos.	
	Colleges	37 Nos.	
13.	Ayuverdic Hospitals	24 Nos.	
14.	Primary Health Centres	41 Nos.	
15.	Primary Health sub-centres	241 nos.	

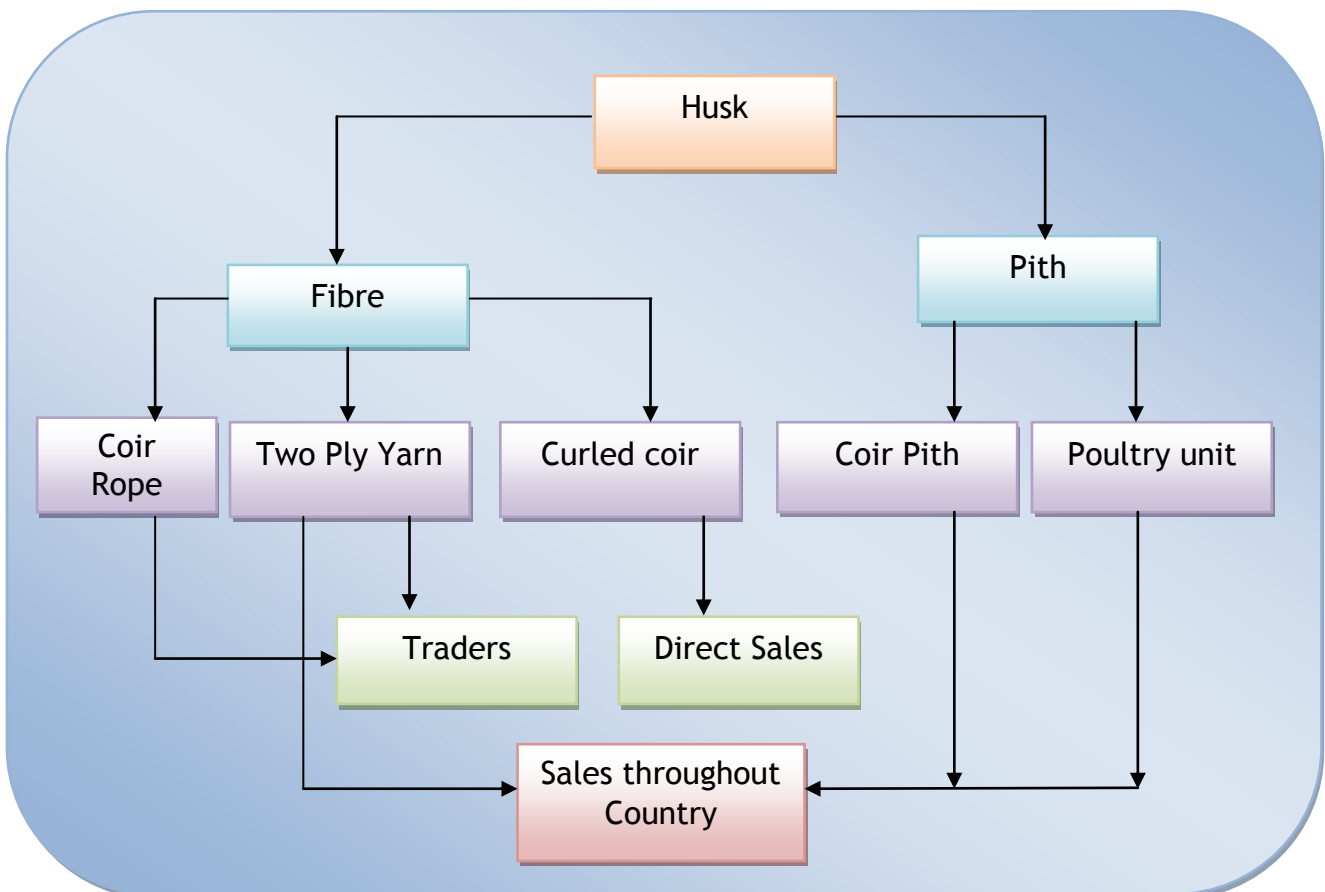
# 3 Cluster Value Chain Mapping

## 3.1. Product Profile

The following products are produced in the cluster presently.

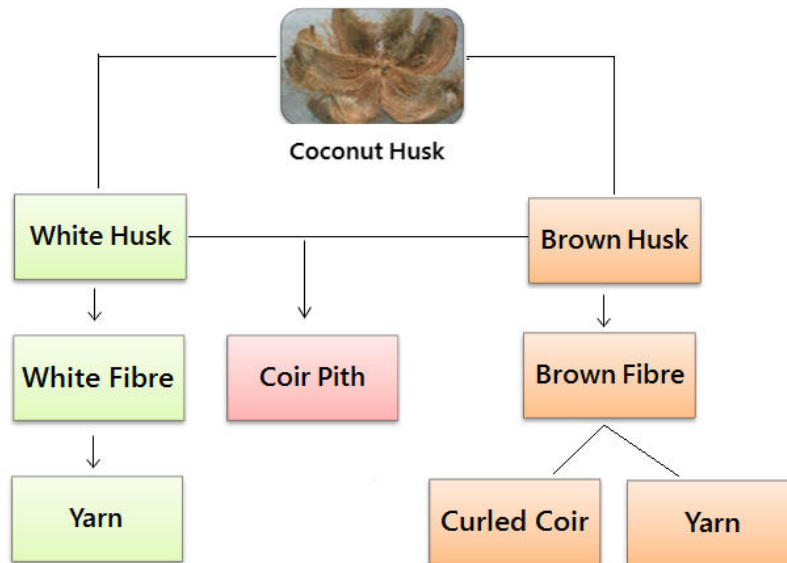
- Coir Fibre
- Coir Yarn
- Coir Mat

The Product flow from the raw material is depicted in the chart below:



## 3.2. Production Process

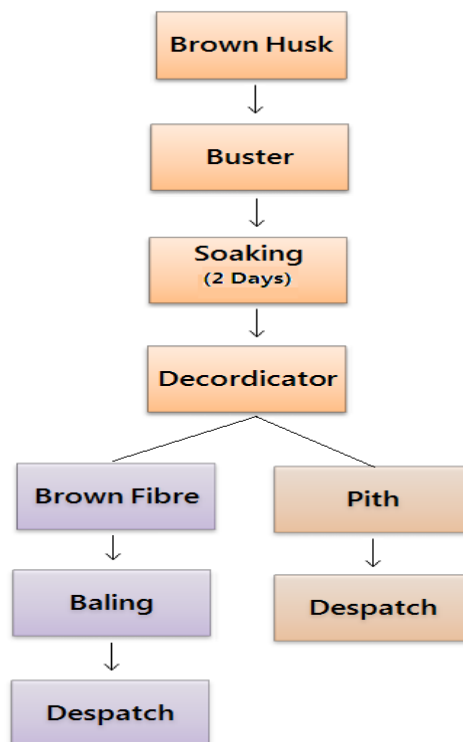
The existing product line of the cluster is given below:



a) Coir Fibre

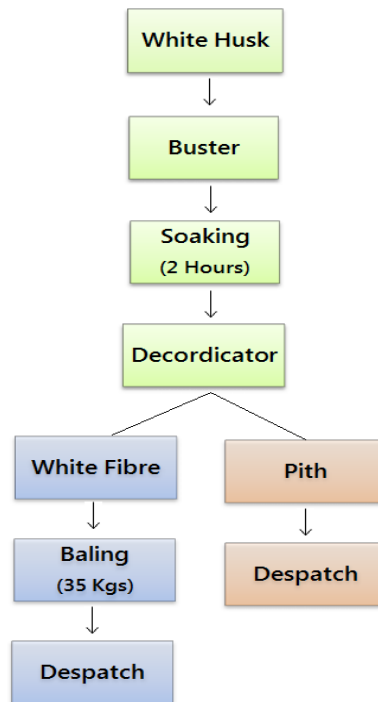
The coconut husk (raw material) is collected from the farms and stored. The collected husk is soaked in water. Then soaked material is fed into the decorticator wherein the fibre and pith are separated. The fibre is dried in the sunlight and is pressed in the form of 35-Kg bundles by using balling press and dispatched for sales.

The process flow of fibre extraction from Brown husk is given below:



The process flow of fibre extraction from Green husk is given below:





## b) Coir Yarn

Coir yarn spinning is similar to cotton yarn spinning. The processes involved are Willowing, Combing, Spinning and Winding. Coir fibre obtained from fibre extraction units and is wetted by spraying water. After 2-3 hours, the wetted fibre is passed through the willowing machine to remove the impurities and the place the fibre and parallel to each other. The fibre is then fed in to slivering machine wherein it is converted in to sliver form. The slivers are spun into yarn as per specifications in the spinning machine. The yarn is then cleaned and wound in to rolls and is now ready for the market. The process flow chart for Coir yarn spinning is given below:

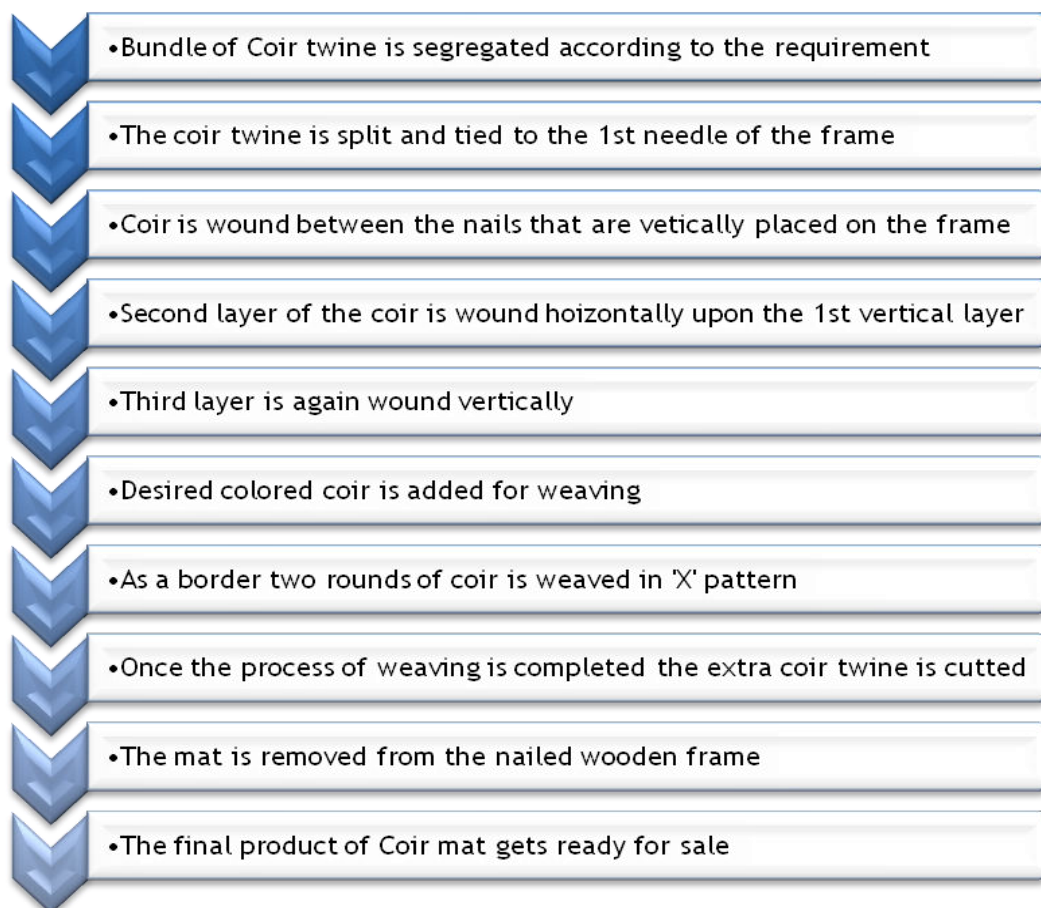


### c) Coir Mat

Coir Mat making is the major activity undertaken in the cluster. Coir mats are purely handmade products, which are 100% organic, ethnic, biodegradable and hygienic that is strong, resistant and moisture in nature. The brushing qualities of coir doormats and their ability to keep the dirt away make the product a unique one. These mats are produced in various shapes like rectangular, star shaped and etc. The coir mats are also produced with the wording on them like 'welcome'. These mats are made of standard size by being 2ft breadth and 1½ ft length. The cost of these coconut coir mats range from Rs.100/- to Rs.500/-.

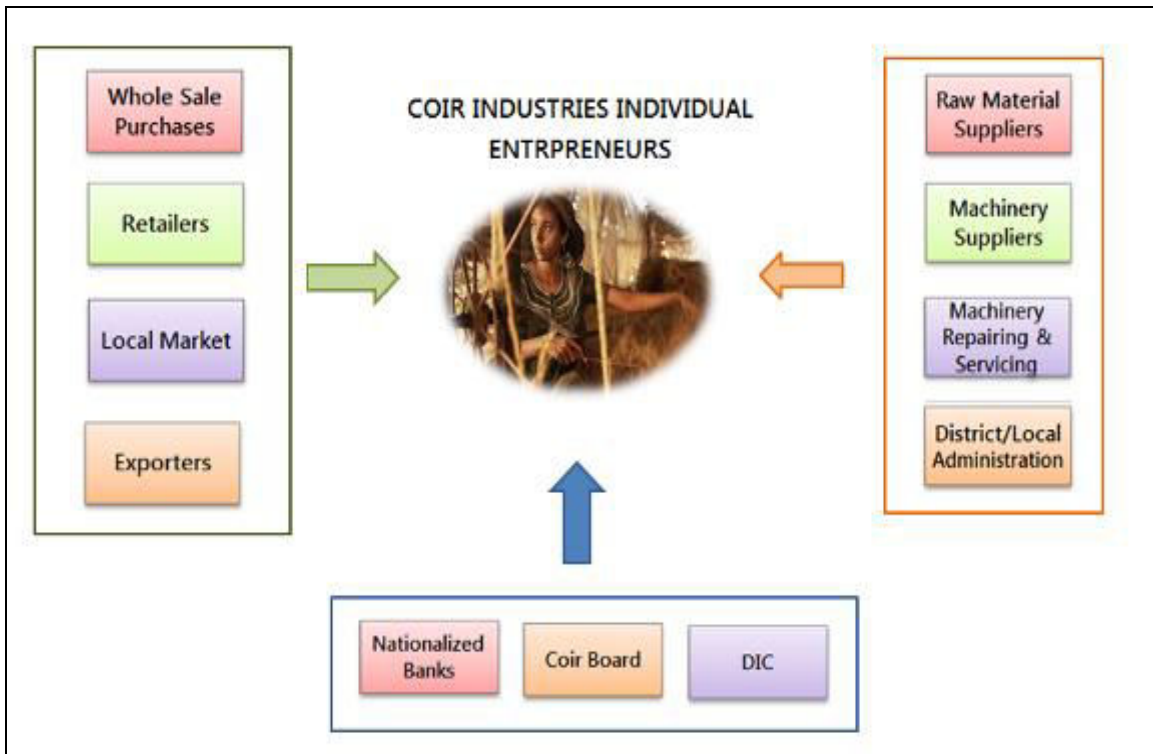
#### Production Process

The process flow chart for Coir mat making is given below:

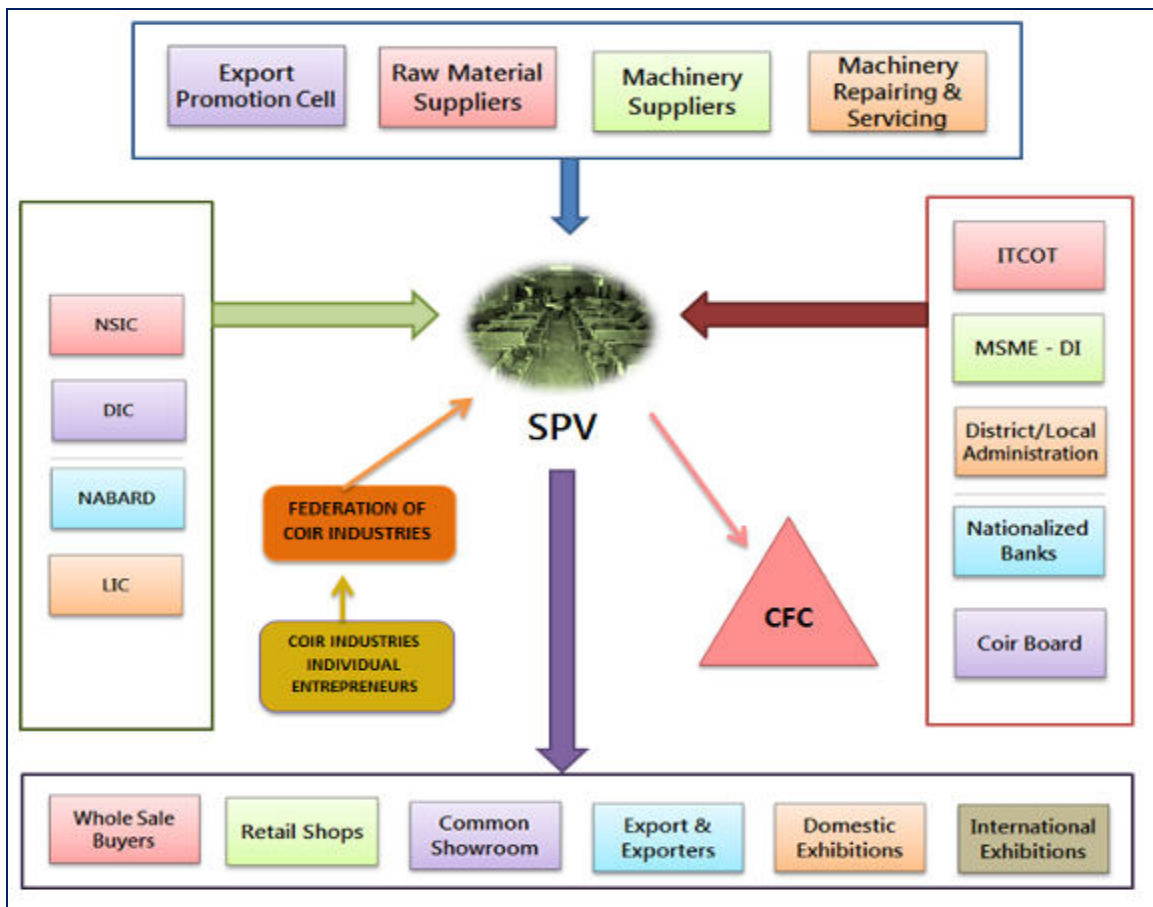


### 3.3. Cluster Map

The Pre-intervention Cluster map depicting the existing linkages of the cluster is given below:



The **Post-interventions Cluster map** depicting the linkages after the implementation of cluster development initiatives is given below:



### **3.4. Principal Stakeholders**

#### **COIR BOARD**

Coir Board is the Nodal Agency for the SFURTI scheme. The coir Board set up by the Government of India under an act of parliament the coir Industry act 1953. Coir Board provides financial, market development, skill training assistance for the development of coir Industry and also extends the technical guidance and advice for setting up of new units as well as for renewal/modernization of existing units for development and increasing productivity, quality up-gradation etc. The Regional Office of Coir Board is located at Bhubaneswar which is near about 200 kms from the cluster area.

The Regional Office of the Coir Board is located at Jagamara (Udyogpuri), Khandagiri Post, Bhubaneswar -751030, Odisha (Tel/Fax: +91 6742350078 and Email: [robbsrcoirboard@gmail.com](mailto:robbsrcoirboard@gmail.com)). The office is headed by the Regional Officer.

#### **DISTRICT INDUSTRIES CENTRE (DIC)**

The DIC, Puri has been involved in the promotion and development of Micro, small & medium enterprise since 1978. The present economic scenario and growing unemployment problem has bestowed more responsibility on the centre towards eradicating them. The DIC organizes entrepreneurship development programmes in various palaces for imparting skills to unemployed youths for setting up of micro enterprises in the Islands.

#### **NATIONAL COIR TRAINING AND DESIGN CENTRE, ALLEPPEY**

The National Coir Training and Design Centre established in 1965 offers various training programmes. This centre also provides necessary assistance to the motorized Ratt Spinning units for improving their quality and productivity of yarn.

#### **NABARD**

NABARD is the financial institution focusing on Agriculture and Rural Development activities. Presently, they are also focusing on artisan cluster development.

## **LEAD BANK**

UCO Bank is the lead bank in Puri district. Lead bank will do the role of that for financial assistance to be availed in the cluster.

## **ITCOT Consultancy and Services Limited (ITCOT)**

ITCOT Consultancy and Services Limited, popularly known as ITCOT, is the state technical consultancy organization, promoted by all India financial institutions, State Development Corporations and Commercial Banks. ITCOT has wide experience in providing support services to micro and small enterprises under various government schemes. ITCOT, having its head office at Chennai, Tamilnadu has project offices at Erode and Salem involved in enterprise promotion and development. ITCOT has been empanelled as Technical Agency under SFURTI scheme by KVIC and Coir Board.

## **Commercial & Cooperative Banks**

There is a good network of commercial Cooperative banks in the cluster. They offer both cash credit and term loan facilities to the coir industry. However, institutional finance for coir industry is limited and there is a large gap between the need for the credit and its availability.

## 4 Market Assessment and Demand Analysis

The Indian coir industry is an important cottage industry contributing significantly to the economy of the major coconut-growing States and Union Territories such as Kerala, Tamil Nadu, Andhra Pradesh, Karnataka, Maharashtra, Goa, Orissa, Assam, Andaman & Nicobar, Lakshadweep and Puducherry.

About 5.5 lakh get employment, mostly part time, from this industry. Coconut husk is the basic raw material for coir products. At least 50 per cent of the available coir husk is used to produce coir products. The rest is used as fuel in rural areas. Hence, there is scope for growth of coir industry.

Coir industry is of great importance to the coconut producing states in India, as it contributes significantly to the economy of rural areas. Kerala is the largest producer of coconut, contributing as much as 35% of country's total production, whereas Tamilnadu stands second in cultivation of coconut and first in production of brown coir fibre in the country. The State wise area and production of coconut is given below:

S.No.	State	Area ('000 Ha)	Production (in million nuts)	Productivity (Nuts/ha)
1.	Kerala	770.62	7429.39	9641
2.	Tamil Nadu	459.74	6171.06	13423
3.	Karnataka	526.38	5128.84	9744
4.	Andhra Pradesh	103.95	1427.46	13732
5.	West Bengal	29.51	373.58	12658
6.	Odisha	50.91	328.38	6451
7.	Gujarat	22.81	312.68	13706
8.	Maharashtra	22.75	271.24	9775
9.	Bihar	14.9	141.38	9489
10.	Assam	19.73	132.59	6720
11.	Chhattisgarh	1.85	30.54	16508
12.	Tripura	7.2	29.51	4097
13.	Nagaland	0.33	2.67	8091
14.	Others	52.8	388.13	7351
	<b>All India</b>	<b>2088.47</b>	<b>22167.45</b>	<b>10614</b>

Coir Board has targeted to double the export of coir and coir products from India within the next three years. During 2015-16, the growth of exports, compared to the previous year, was 20% in terms of quantity and 16.6% in terms of value. During 2016-17 the growth was increased to 27.3% in terms of quantity and 20% in terms of value. There has been an increasing trend in the exports of coir and coir products year to year, it is expected that the trend will continue during the coming years also. The total export of coir and coir products during the last three years are as under:

Years	2014-15	2015-16	2016-17
Quantity (In Metric Tonnes)	626666	752020	957045
Value (Rs. in lakhs)	163033.77	190142.52	228164.82

The major products that are exported are Coir pith, Coir fibre and Tufted Mats. It has been observed that the percentage growth in value of export of Coir pith has been 31.60% in 2016-17 compared to the previous year. Also the percentage growth in value of export of Coir fibre has been 29.10% in 2016-17 compared to the previous year. The data on export of Coir products from India in FY 2015-16 & 2016-17, as per Coir Board, are given below:

Item	April 2016- March2017		April 2015- March2016		% Growth	
	Q	V	Q	V	Q	V
Coir Pith	490552	90539.11	408897	68808.56	20.0	31.6
Coir Fibre	370357	53913.63	255293	41767.11	45.1	29.1
Tufted Mat	51718	48442.83	45770	44316.03	13.0	9.3
Handloom Mat	20143	21316.31	20386	22279.96	-1.2	-4.3
Geo textiles	6219	4481.04	4520	3531.72	37.6	26.9
Coir Yarn	4426	2948.32	4134	2820.82	7.1	4.5
Curled Coir	10356	2419.30	9470	2510.07	9.4	-3.6
Handloom Mattings	1272	1535.25	1706	1968.78	-25.4	-22.0
Rubberized Coir	888	1295.64	678	971.74	30.9	33.3
Coir Other Sorts	256	416.59	46	94.79	451.9	339.5
Coir Rope	484	388.50	517	396.61	-6.3	-2.0
Coir Rugs & Carpet	205	271.92	307	282.5	-33.1	-3.7
Powerloom Mat	166	196.38	280	367.35	-40.5	-46.5
Powerloom Matting	0	0.00	16	26.48	-	-
<b>Total</b>	<b>957045</b>	<b>228164.82</b>	<b>752020</b>	<b>190142.52</b>	<b>27.3</b>	<b>20.0</b>

\* Q=Quantity in MT, V=Value in Rs.Lakhs

The percentage of share of each product with respect to total exports, both in Quantity and Value for the year 2016-17 is given below:

Item	2016-17		Export Composition %	
	Q	V	Q	V
Coir Pith	490552	90539.11	51.26	39.68
Coir Fibre	370357	53913.63	38.70	23.63
Tufted Mat	51718	48442.83	5.40	21.23
Handloom Mat	20143	21316.31	2.10	9.34
Geo textiles	6219	4481.04	0.65	1.96
Coir Yarn	4426	2948.32	0.46	1.29
Curled Coir	10356	2419.30	1.08	1.06
Handloom Mattings	1272	1535.25	0.13	0.67
Rubberized Coir	888	1295.64	0.09	0.57
Coir Other Sorts	256	416.59	0.03	0.18
Coir Rope	484	388.50	0.05	0.17
Coir Rugs & Carpet	205	271.92	0.02	0.12
Powerloom Mat	166	196.38	0.02	0.09
<b>Total</b>	<b>957045</b>	<b>228164.82</b>	<b>100.00</b>	<b>100.00</b>

\* Q=Quantity in MT, V=Value in Rs.Lakhs

The Top five Country wise Exports of Coir and Coir products in the year 2016-17:

S.No.	Country	Quantity (in MTs)	Value (Rs.Lakhs)	Quantity (%)	Value (%)
1.	China	439884.57	66655.52	45.96	29.21
2.	USA	133536.72	53286.56	13.95	23.35
3.	Netherlands	82487.53	18148.78	8.62	7.95
4.	UK	17668.15	11076.22	1.85	4.85
5.	South Korea	57545.12	9486.28	6.01	4.16

It is observed that the growth in coir product exported from India in 2016-17 has increased 27.30% in terms of quantity and 20% in terms of value compared to the previous year of 2015-16.

#### Proposed Marketing Plan:

- ✚ Coir Fibre will be internally value added as Coir Yarn in the cluster.
- ✚ Establishing specific marketing channel and appointment of dealers in potential market centers.



- ✚ Engaging Business Development Service providers to enhance the cluster market share in both domestic and export market for the products.
- ✚ Popularizing the brand as eco-friendly and exploring the opportunities in transport sectors and Government organizations with Coir Board support.
- ✚ Establishing linkages with retail showrooms (including Coir Board showrooms) in Chennai, Bangalore, Mumbai & Delhi and potential buyers for the products.

# 5 SWOT and Need Gap Analysis

## 5.1. SWOT Analysis

In order to understand the Strength and Weakness of the cluster and also emerging opportunities and threats, SWOT analysis has been done. The highlights are depicted under:

### Strengths

- Puri district accounts for around 20% of the total coconut cultivation area of Odisha and it is in the coastal section of Odisha blessed with hot and humid climate makes the district an apt place for the growth of coconut.
- Sufficient availability of coconut husk (basic raw material) provides scope for development of coir sector in the cluster.
- The cluster is situated in the major tourist zone of Puri district. There is potential for increasing volume of direct marketing of Handicrafts crafts to local and foreign tourists.
- The district has very good network of railroad as well as national highway.
- Presence of Support institutions such as Coir Board, District Industries Centre, Commercial banks, Technical consultancy organization etc.

### Weaknesses

- Even though the artisans are trained in Mat, Handicraft and Toy making, the potential is not fully exploited.
- Skill upgradation of artisans needed to improve the finishing quality of mats and handicrafts products
- Adoption of traditional technology and lack of awareness of the modern Technology.
- Weak linkage on input procurement and marketing of finished products.
- Absence of collective/collaborative efforts to address common problems.
- Absence of organized marketing set-up for the unique products made by the artisans.
- Lack of formal networks for marketing and input procurement
- Limited contact with BDS providers and Technical Institutions

- Weak system of logistics for sourcing input materials from the source and distributing finished products to the counter of sales
- Weak linkages with banks and financial institutions

### **Opportunities**

- Ample opportunity to scale up Coir activity in the region, as availability of basic raw material is considerable.
- Introduction of advanced machinery in fibre extraction and spinning would lead increased productivity and production, which would augment the profit margin.
- Coir products market demand is increasing day by day in domestic as well as export market
- Common procurement of raw material would result in price benefits in input procurement.
- Implementation of SFURTI Scheme for focused development of the cluster.

### **Threats**

- Competition from coconut growing country viz.: Sri Lanka, Indonesia & Philippines etc.
- Utilization of husk for unproductive purposes

## **5.2. Need Gap Analysis**

- Providing continuous engagement for the artisans is the dire need for their sustainable livelihood.
- Need for Skill upgradation of artisans mandatory to improve the quality of mats and handicrafts products.
- The process followed by majority of cluster artisans is manual and obsolete with specific reference to making of 2 ply yarn. In spite of availability of new machinery, the entrepreneurs are reluctant to adopt new machinery due to lack of awareness and also lack of finance.
- Even though husk availability is ample, fibre extraction activities are limited within the cluster.
- Husk collection system needs to be strengthened within the cluster.
- Skill upgradation of artisans needed to improve the finishing quality of mats and handicrafts products.

## 6 Profile of the Implementing Agency

M/s.Jaya Durga Mahila Samity, an NGO registered as a Society (under Societies Registration Act No.XXI of 1860) on 26.03.1993, having its registered office at Balapur Post, Satasankha Via, Sathyabadi Block, Puri District. The registration number of the society is 3277/357/92-93. The details of the NGO are given below:

<b>Institutional Structure / Registration Details</b>	<b>M/s.Jaya Durga Mahila Samity (JDMS)</b>
<b>Legal Status</b>	Registered under Societies Registration Act 1860
<b>Date of Incorporation / Registration</b>	3277/357/92-93 Dt.26.03.1993
<b>Registered Address</b>	Balapur Post, Satasankha Via, Sathyabadi Block, Puri District
<b>Affiliated to KVIC</b>	No

### Governance Structure:

S.No	Name of the Member	Father's / Husband's Name	Designation	Educational Qualification
1	Manorama Mishra	Satyanarayan Mishra	President	7th Class
2	Nibedita Mishra	Narayan Mishra	Vice President	B.A
3	Laxmipriya Dash	Nrusinga Dash	Secretary	10th class
4	Jyotimayee Mohapatra	PumaChandra	Asst. Secretary	B.A
5	Bishnupriya	Chitaranjan Moharana	Treasurer	B.A

Operational Profile	
Major Objectives - Vision, Mission, Goal of the Organisation	Undertaking such activities that would promote changes and transformation in the in the areas relating to health, Education, Culture, Environment, Old age, Women development Socio economic reforms for sustainable development of the disadvantaged society.

What are the focus areas of Operations	Socio economic development activities.
Key Clients / Donors associated with for Project implementation along with details on the nature of association	<p>Name of the Funding Agencies:</p> <ul style="list-style-type: none"> <li>✚ H&amp;CI, Bhubaneswar</li> <li>✚ COIR BOARD, Regional Office, Bhubaneswar</li> <li>✚ NABARD, Bhubaneswar</li> <li>✚ NGB, Sarangajodi, Satyabadi Block</li> <li>✚ CACL, Cuttack</li> </ul>
Key partnerships/alliances (if any)	<p>Partner and Supporting Agencies</p> <ul style="list-style-type: none"> <li>✚ Nehru Yuba Kendra, Puri</li> <li>✚ NABARD, Odisha</li> <li>✚ Director Handicraft, Odisha</li> <li>✚ Coir Board of Odisha</li> </ul> <p>Name of the Participation in committees:</p> <ul style="list-style-type: none"> <li>✚ BLBC Committee, Satyabadi Block,</li> <li>✚ Satyabadi</li> <li>✚ Governing body member of DRDA, Puri</li> <li>✚ SGSY member in Puri District</li> <li>✚ President of Block Coordination Committee, Satyabadi</li> <li>✚ CARE Member in Odisha</li> </ul>

<b>Management Profile</b>							
Background of Key Personal ( Professionals and others ) with brief profile of the Senior Management Personnel	Manorama Mishra, President						
<b>Financial Profile</b>							
Fixed Assets	Rs. 11,66,795/-						
Current Asset	Rs.4,66,563/-						
Current Liabilities	Rs.53,000/-						
Financial performance in last 3 years	<table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th>2012-13</th> <th>2013-14</th> <th>2014-15</th> </tr> </thead> <tbody> <tr> <td>1,44,732</td> <td>1,72,580</td> <td>1,65,744</td> </tr> </tbody> </table>	2012-13	2013-14	2014-15	1,44,732	1,72,580	1,65,744
2012-13	2013-14	2014-15					
1,44,732	1,72,580	1,65,744					

Bank Account Details		
1.	Name of the Bank	State Bank of India
	Branch Name	Sakhigopal
	IFSC Code	SBIN0002118
	Account Number	30319825791
2.	Name of the Bank	Odisha Gramya Bank
	Branch Name	Sarangajodi
	IFSC Code	IOBAONGB001
	Account Number	6124

Contact Details	
Name of the Contact Person	Laxmi Priya Dash
Designation of Contact Person	Secretary cum Founder Jaya Durga Mahila Samity
Correspondence Address	Balapur Post, Satasankha Via, Sathyabadi Block, Puri District- 752046
CONTACT NUMBER	9776153202 / 9040741190 / 9090752151
E-MAIL ADDRESS	jayadurga.org@gmail.com

# 7 Project Concept & Strategy Framework

## 7.1 Project Rationale

The existing production potential of intermediate Coir products in the cluster is promising and hence the cluster is considered suitable for development in order to cater the growing market needs for the Value added coir products, both in domestic and international arena.

Focusing on empowering the Coir entrepreneurs in the cluster, the cluster development programme envisages establishment of Common Facility Centers (CFCs) on User fee basis to enable them the access of Modern technology/machinery to manufacture of value added products and to experience the benefits of value addition. Accordingly, the following projects are proposed as Common Facility Center for the cluster.

- i) Coir two ply yarn production, which is the value addition of Coir fibre, to be utilized for further value addition to finished product.
- ii) Coir Frame Mat, which is the value addition of yarn to utility product
- iii) Coir Handicrafts, which is the value addition of fibre

The establishment of the Common Facility Center revitalizes coir based activities in the cluster and the cluster convergence effect would result in additional investment in coir based industries, increased turnover and better employment opportunities.

## 7.2 Project Objective

- To advance growth and ensure sustainability of coir based industries with diversified basket of heterogeneous coir products based on target consumer segment.
- Setting up of suitable cluster-specific Common Facility Center (CFC) to ensure optimum output of value added coir products in the cluster
- Effective utilization of available raw material resource in the cluster by strengthening the linkages with raw material suppliers/farmers
- To form a Special Purpose Vehicle (SPV) with the participation of coir units in the cluster and to strengthen/capacitate the SPV as a whole.

- Strengthening linkages among the Cluster/SPV members and stakeholders and to have a Collaborative setup to address common problems.

### **7.3 Focus Products/Services**

In addition to the Soft interventions for Capacity building and Market promotion initiatives, the following facilities are proposed as interventions for the development of the cluster:

- Coir Two ply yarn spinning facility
- Coir Handicrafts manufacturing facility
- Coir frame mat manufacturing facility

### **7.4 Conceptual Framework / Project Strategy**

- Cluster initiatives are considered to be efficient policy instruments in that they allow for a concentration of resources and funding in targeted areas with a high growth and development potential that can spread beyond the target locations (spillover and multiplier effects)
- The overall guiding principle is to make the Cluster more productive and the Cluster products more competitive by way of addressing the current production and supply bottlenecks, enhancing the marketability of the products, introduction of improved technology/techniques and strengthening Cluster linkages.
- Exploit the benefits arising out of optimization of resources and economies of scale. Create an autonomous governance framework in the cluster, in a step-by-step process that will affect dynamism and positive change in the cluster.



# 8 Project Interventions (Core SFURTI)

## 8.1 SOFT INTERVENTIONS

### a) CAPACITY BUILDING:

- ✚ **Trust Building:** For strong association among cluster members to address common problems.
- ✚ **Awareness Programme:** To provide awareness about scheme benefits, Cluster development initiatives and the prospects for value added products in Coir sector
- ✚ **Entrepreneurship Development Programme:** To foster entrepreneurship among cluster members.
- ✚ **Skill Upgradation Programme:** To increase the skilled labour force in the cluster to address the problem of limited skilled labour availability.
- ✚ **Exposure Visit:** Visit to other vibrant cluster, research institutions etc. to understand the synergic effect and dynamics of vibrant clusters and to demonstrate the technology and marketability for value added products.

### b) MARKET PROMOTIONAL ACTIVITIES:

- ✚ **Market Study Tour:** To enable the cluster members to gain a deeper understanding of the business environment and market dynamics in Coir sector.
- ✚ **Participation in Trade Fairs:** To conduct business, cultivate cluster's image and to examine the market. The main objectives of participation of trade fairs are:
  - Increased Sales
  - Product showcasing for enhanced product visibility
  - Establish qualified leads
- ✚ **Design Development Programme:** To develop new design of the product to achieve commercial success of the business.
- ✚ **Engagement of Business Development Service Providers:** To improve the performance of the enterprise, its access to markets, and its ability to compete.

## **8.2 HARD INTERVENTIONS:**

### **CREATION OF COMMON FACILITY CENTRE:**

The following common facilities are proposed for the Puri Coir Cluster to enhance raw material utility, marketability and profitability.

- ✚ Coir Two ply yarn spinning facility
- ✚ Coir Handicrafts & Moulded items manufacturing facility
- ✚ Coir frame mat manufacturing facility

## **8.3 THEMATIC INTERVENTIONS**

Cluster's active involvement and participation in activities such as national and international level brand promotion campaigns, New Media marketing, E-commerce initiatives etc. as proposed under the SFURTI implementation guidelines is projected as part of thematic interventions.

# 9 Soft Interventions

## 9.1. Capacity Building Programme

S.No	Particulars	
1	Proposed Programme / Intervention	Trust Building and Motivational programme
2	Target group	Coir Entrepreneurs & artisans
3	No. of Batches	2
4	Batch size	50 nos
5	Training content	Self & Group motivation
6	Trainer / Training Institution	ITCOT Consultancy & Services Ltd.
7	Cost of Training programme	Rs. 1,00,000/-
8	Implementation timeline	Quarter I

S.No	Particulars	
1	Proposed Programme / Intervention	Awareness Programme (on Fire & Safety & Social security schemes, Statutory requirements)
2	Target group	Coir workers
3	No. of Batches	2
4	Batch size	50 nos
5	Training content	Self & Group motivation
6	Trainer / Training Institution	ITCOT Consultancy & Services Ltd.
7	Cost of Training programme	Rs. 1,00,000/-
8	Implementation timeline	Quarter II

S.No	Particulars	
1	Proposed Programme / Intervention	Skill upgradation programme (on Mat making, Handicrafts, Coir Jewellery, Idols etc.) to artisans
2	Target group	Coir artisans
3	No. of Batches	6
4	Batch size	25 nos

5	Training content	Skill Training
6	Programme duration	3 days
7	Trainer / Training Institution	Coir Board
8	Cost of Training programme	Rs. 5,00,000/-
9	Implementation timeline	Quarter III,IV

S.No	Particulars	
1	Proposed Programme / Intervention	Exposure Visit
2	Target group	Coir Entrepreneurs & artisans
3	No. of Batches	As per requirement
4	Programme content	To enable entrepreneurs to interact with & learn from others, allowing them to view practical examples in the field
6	Coordinating Institution	SPV
7	Cost of Training programme	Rs. 2,00,000/-
8	Implementation timeline	Quarter II

## 9.2. Market Promotion Programme

S.No	Particulars	
1	Proposed Programme / Intervention	Participation in Trade fairs
2	Target group	SPV members
3	No. of Batches	As per requirement
4	Programme content	Participation, Exhibit products to generate market linkages and enquiries
5	Coordinating Institution	IA & NA
6	Cost of Training programme	Rs. 2,00,000/-
7	Implementation timeline	Year II, Quarter II / Quarter III

S.No	Particulars	
1	Proposed Programme / Intervention	Design Development programme
2	Purpose	CFC Product development
3	No. of Batches	As per requirement

4	Programme content	New design development
5	Trainer / Training Institution	Coir Board & NID
6	Coordinating Institution	Nodal Agency
7	Cost of Training programme	Rs. 2,00,000/-
	Implementation timeline	Year II, Quarter III / Quarter IV

S.No	Particulars	
1	Proposed Programme / Intervention	Tie up with Business Development service(BDS) providers
2	Purpose	CFC Business development
3	No. of Batches	As per requirement
4	Content	Marketing & Technology
5	Coordinating Organization	SPV & Nodal agency
6	Cost of Training programme	Rs. 1,00,000/-
7	Implementation timeline	Year II, Quarter I / Quarter II

# 10 Hard Interventions

## 10.1. Creation of common facility centre:

### a) Land

The land proposed is at 7 locations, Unit I, Unit II, Unit III, Unit IV, Unit V, Unit VI & Unit VII. The details are given below:

S.No	Particulars	CFC I	CFC II	CFC III	CFC IV	CFC V	CFC VI	CFC VII
1.	Name of the Block	Satyabadi	Puri Sadar	Satyabadi	Satyabadi	Puri Sadar	Satyabadi	Puri Sadar
2.	Name of the Village	Balapur	Malasahi	Aishanyapada	Mahamaya Sahi	Jalakabar	Brahmpur, Madhuban	Barabati, Gobinathpur
3.	Land Extent	18 dc	7 dc	5 dc	4 dc	3 dc	2 dc	2 dc
4.	Land: Own/Lease	Lease	Lease	Lease	Lease	Lease	Lease	Lease
5.	Lease period	15 years	15 years	15 years	15 years	15 years	15 years	15 years
6.	Rent per month	Rs.1500/-	Rs.3000/-	Rs.1500/-	Rs.1500/-	Rs.1000/-	Rs.2000/-	Rs.1000/-

The above locations have other infrastructural facilities such as road, power etc. and are suitable for the proposed CFC.

## b) Cost &amp; Area of Building works

The Building extent and the cost thereof for each CFC is given below:

CFC	CFC Activities	Building extent	Building cost (Rs.Lakhs)
CFC-1 (Balapur)	1. Coir Yarn making	1000 Sq.ft.	9.00
	2. Mat making		
	3. Handicrafts		
	4. Design Development centre	300 Sq.ft.	3.00
	5. Storage godown	1000 Sq.ft.	9.00
	<b>Sub-total:</b>		<b>21.00</b>
CFC-2 (Malasahi)	1. Coir Yarn making	Building 1000 Sq.ft.	9.00
	2. Mat making		
	3. Handicrafts		
		<b>Sub-total:</b>	
CFC-3 (Aishanyapada)	1. Coir Yarn making	Building 1000 Sq.ft.	9.00
	2. Mat making		
	3. Handicrafts		
		<b>Sub-total:</b>	
CFC-4 (Mahamayasahi)	1. Coir Yarn making	Building 1000 Sq.ft.	9.00
	2. Mat making		
	3. Handicrafts		
		<b>Sub-total:</b>	
CFC-5 (Jalakabar)	1. Coir Yarn making	Building 1000 Sq.ft.	9.00
	2. Mat making		
	3. Handicrafts		
		<b>Sub-total:</b>	
CFC-6 (Brahmapur, Madhuban)	1. Coir Yarn making	Building 800 Sq.ft.	7.20
	2. Mat making		
	3. Handicrafts		
		<b>Sub-total:</b>	
CFC-7 (Barabati, Gopinathpur)	1. Coir Yarn making	Building 800 Sq.ft.	7.20
	2. Mat making		
	3. Handicrafts		
		<b>Sub-total:</b>	
<b>TOTAL BUILDING COST:</b>			<b>71.40</b>

The cost of building and civil works proposed for the 7 CFCs has been worked out to Rs.71.40 lakhs as mentioned above.

## c) Plant and machinery

The details of machinery proposed in each CFC and the cost thereof is given below:

CFC	Activity	Machines	Rate	Qty.	Amount	
CFC-1 (Balapur, Satyapadi)	1. Coir Yarn Spinning	a. Auto 2 Ply yarn spinning machines	Rs.3.50 lakhs	2 Nos.	Rs.7.00 lakhs	
		b. Turbo Cleaning machine with motor	Rs. 0.60 lakhs	1 No.	Rs. 0.60 lakhs	
		c. Auto rewinding machine	Rs. 0.40 lakhs	1 No.	Rs. 0.40 lakhs	
				<b>Total</b>	<b>Rs.8.00 lakhs</b>	
	2.Coir yarn dyeing	SS VAT Dye set	Rs.0.60 lakhs	1 set	Rs.0.60 lakhs	
				<b>Total</b>	<b>Rs.0.60 lakhs</b>	
	3. Mat making	Mat making frames with tool kits	Rs.0.60 lakhs	4 sets	Rs.2.40 lakhs	
				<b>Total</b>	<b>Rs.2.40 lakhs</b>	
	4. Handicrafts and Idols making	Moulding set, Handicraft items and accessories	Rs.8.00 lakhs	1 set	Rs.8.00 lakhs	
				<b>Total</b>	<b>Rs.8.00 lakhs</b>	
	5. Design devpt. centre	Computer and design softwares	Rs.2.00 lakhs	1 set	Rs.2.00 lakhs	
				<b>Total</b>	<b>Rs.2.00 lakhs</b>	
		<b>SUB-TOTAL – CFC -1 MACHINES</b>				<b>Rs.21.00 lakhs</b>
CFC 2 (Malashi, Purisadar)	1. Coir Yarn Spinning	a. Auto 2 Ply yarn spinning machines	Rs.3.50 lakhs	2 Nos.	Rs.7.00 lakhs	
		b. Turbo Cleaning machine with motor	Rs. 0.60 lakhs	1 No.	Rs. 0.60 lakhs	
		c. Auto rewinding machine	Rs. 0.40 lakhs	1 No.	Rs. 0.40 lakhs	
				<b>Total</b>	<b>Rs.8.00 lakhs</b>	
	2.Coir yarn dyeing	SS VAT Dye set	Rs.0.60 lakhs	1 set	Rs.0.60 lakhs	
				<b>Total</b>	<b>Rs.0.60 lakhs</b>	
	3. Mat making	Mat making frames with tool kits	Rs.0.60 lakhs	4 sets	Rs.2.40 lakhs	
				<b>Total</b>	<b>Rs.2.40 lakhs</b>	



	4. Handicrafts and Idols making	Moulding set, Handicraft items and accessories	Rs.8.00 lakhs	1 set	Rs.8.00 lakhs
				<b>Total</b>	<b>Rs.8.00 lakhs</b>
		<b>SUB-TOTAL – CFC -2 MACHINES</b>			<b>Rs.19.00 lakhs</b>
CFCs 3 to 7, for each CFC (5 CFCs)	1. Mat making	Mat making frames with tool kits	Rs.0.60 lakhs	4 sets	Rs.2.40 lakhs
				<b>Total</b>	<b>Rs.2.40 lakhs</b>
	2. Handicrafts making	Handicraft items and accessories	Rs.2.00 lakhs	1 set	Rs.2.00 lakhs
				<b>Total</b>	<b>Rs.2.00 lakhs</b>
		<b>SUB-TOTAL – CFC -3 to 7 EACH CFC MACHINES</b>			Rs.4.40 lakhs
		<b>TOTAL OF 5 CFCs (3 TO 7)</b>			<b>Rs.22.00 lakhs</b>
	<b>TOTAL FOR ALL CFCs (1 to 7)</b>				<b>Rs.62.00 lakhs</b>
Common provisions	Electricals & Accessories	Electrification and wiring for all CFCs & pipeline			Rs. 4.00 lakhs
	Handling infra	Mini truck (Hi deck) & Trolleys			Rs. 6.00 lakhs
		<b>SUB-TOTAL – Common</b>			<b>Rs.10.00 lakhs</b>
	<b>TOTAL COST OF MACHINERY, ELECTRICALS AND HANDLING INFRA</b>				<b>Rs.72.00 lakhs</b>

The total cost of plant and machinery for all the 7 CFCs has been estimated to Rs.72.00 lakhs.

## 10.2. Product & Process

### a) Coir Two Ply Yarn spinning facility

Coir Yarn is generally of two ply, spun from coir fibre with fully automatic spinning machines. The Coir yarn is of different qualities/grades based on the quality of fibre used, the nature of twist, presence of impurities etc. Coir yarn, being an intermediate product is consumed for varied uses. For the proposed Coir Matting and Geo-textiles manufacturing facility in the cluster, spinning facility is created to strengthen the backward linkage i.e. ensured raw material resource. The need

for this facility is to ensure uniform quality of raw material, which is mandatory for Coir matting and also to ensure uninterrupted supply & stable price.

**Production Process:**

The process flow chart for Coir yarn spinning is given below:



*Two Ply Yarn Spinning Machine*



*Coir Two Ply Yarn*

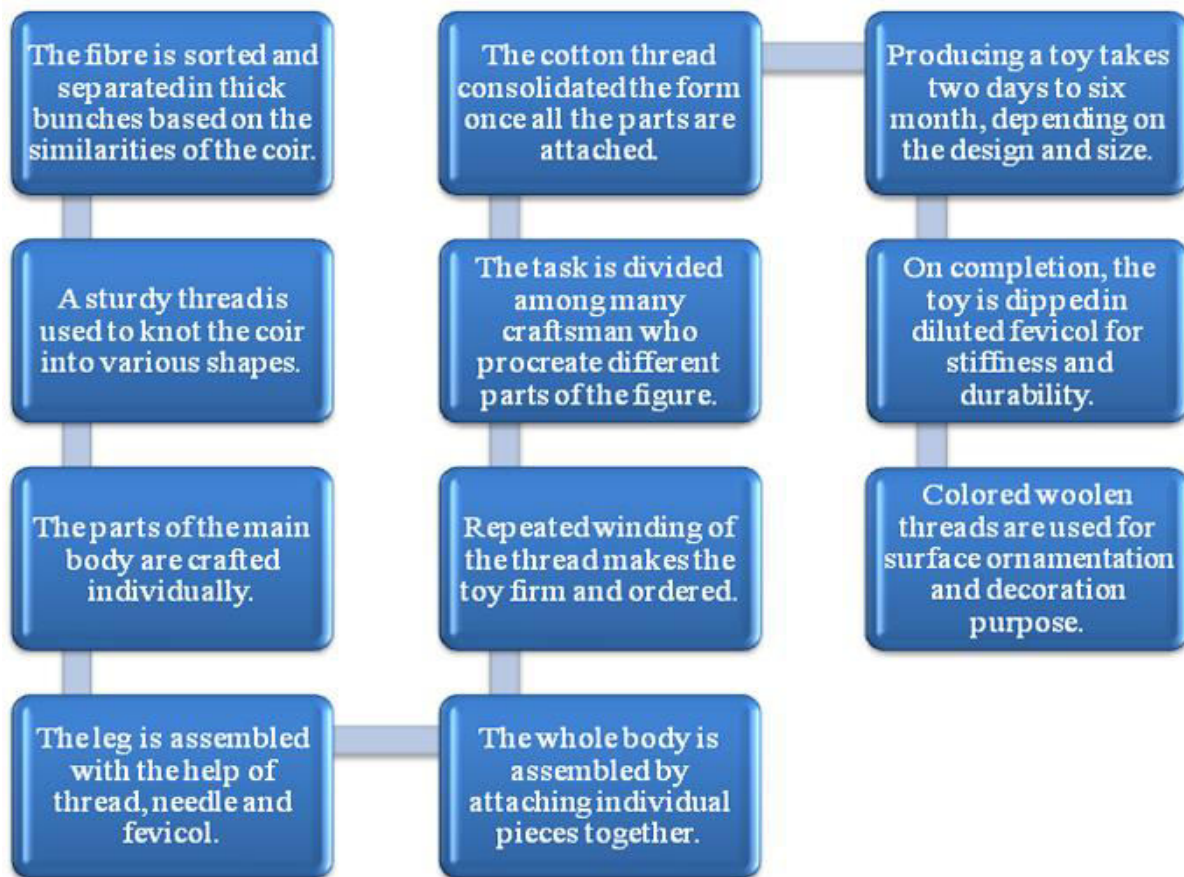
The automatic spinning machine units are capable of production of yarns of runnage varying from 50 to 300 meters/kg and twists from 10 to 30 twists/feet.

**b) Coir Handicrafts**

Coir fiber is converted into gorgeous toys by tying and folding the fibers together, the artisan in the cluster make animal figures, birds and utility products like Wall hangings, Pen stands etc, nearly a decade ago.

**Production Process**

The main steps in Coir toys making are illustrated in the flow chart below:



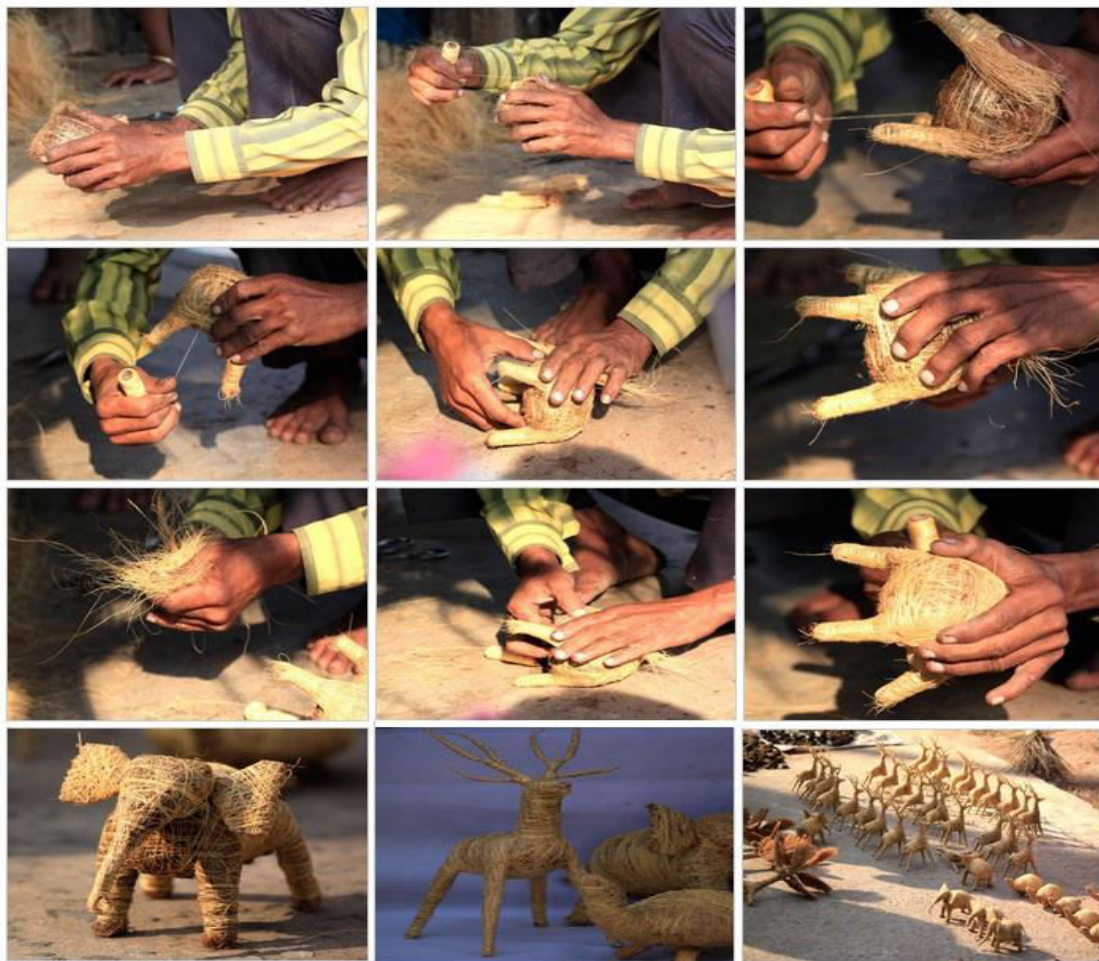
For making a toy, firstly, the design is to be finalized and made on the paper. According to the design they work on the proportion of the toys. For simple and small products, the coir is simply tied with the thread to make desired products. Glue is diluted with water and then used for pasting the fiber on the main body. The card board is cut into required shapes then fiber is stuck over the board which is used to provide proper shape and stiffness.

These toys are worked out in different parts and made in different forms. An artisan makes these parts in the particular day after which they are attached once all the parts are ready. Different parts are made by different people and then all the parts are assembled together with the help of thread, needle and glue. After the completion of the product it is to be dipped in diluted glue for durability and stiffness.

Cotton thread is used to wrap the forms or products made of coir fiber. This helps the product to take a definite and a stable form. Colored wool is used for surface ornamentation of coir crafts like for eyes, clothes etc. Use of color wool also enhances the look of the toy. For value addition, wooden beads and metal bells are also used. After the completion of the toy or product, it is dipped into diluted glue. This is done, so that the thread stiffens up and does not open up. Glue

solution provides better durability and stability to the product or toy. The final product may take two hours to six hours for completing depending upon the size of the product. Once the products are dried, they are packed in a newspaper, tied with the help of thread, and either sold to the middle men or direct marketing in front of a temple, tourist spots, shops etc. These products are attractive due to its decoration and various other attractive elements involved in the fiber.

The following images project a visual narrative of how a master craftsman transforms coir fibre to an attractive toy.



### **Coir Jewellery**

Coir jewellery is one of the exotic new products. Artisans in the cluster are involved in making many beautiful jewellery articles like bracelet, necklace, bangles, ear rings, finger rings and other exclusive products. The price varies from Rs.50/- to 5000/-.



### **Production Process**

Firstly the coir fibres are taken out of the husk. For making of the coir jewellery the coir is taken from the immature green coconut and soaked in water for months together. Later the coir fibres are naturally dyed with pleasant colors. Small articles like sequences, pearls, crystals, stones and studs are used in embellishments for the jewellery. Initially the longer coir fibre is picked and sewed onto a thin stick in order to make a ring with the help of needle. The rings are made in bulk which is then comprehended in making of a finger ring by binding all the linked rings together and sewing it in an appropriate manner like how plaiting is made. Sometimes the coir is winded with regard to the diameter required and then single coir is taken and sewed around the winded coir to fasten the rings in crochet technique. The protruding fibres are cut with the help of nail cutter. The jewelries are made with subject to the form and design thought off. The coir fibres are bind together, sewed and twisted to the form needed.



- The coir is extracted from the immature coconut.
- The coir is soaked in water to attain its flexibility.
- Coir is dyed with natural colors.
- Coir fibres are taken and wined with regard to the required shape, size, and then single coir is sewed around the wined coir to fasten the rings in crochet technique.
- Embellishments like pearl, sequences, beads, crystals are added when required.



### c) Coir Frame Mats

Coconut coir mats are purely handmade products, which are 100% organic, ethnic, biodegradable and hygienic that is strong, resistant and moisture in nature. They are available in spectrum of golden shades naturally like golden brown to reddish brown that is suitable for rustic environment. These mats are available in various

shapes like rectangular, star shaped and etc. The coir mats are also available with the wording on them like 'welcome'. These mats are made of standard size by being 2ft breadth and 1½ ft length. The cost of these coconut coir mats range from Rs.100/- to Rs.500/-

### **Production Process**

The coir mat is made of coir twine. The artisans used the natural brown coir according to the design concept, some coir twine are colored and segregated. Rectangular wooden frame with the nails attached to it is used for this process, and the coir mat making procedure gets begin.

At the one end of the coir twine, some length of the twine is divided into two strands and is knotted around the first nail of the wooden frame. And the coir twine is wound vertically of the frame around the nails that are at the opposite sides of the wooden frame.

Once the first layer is wound around the nails as the base, the same coir twine is continued to be woven for the second layer of the mat by winding it around the nails horizontally to the frame, by attaching the fresh coir twine to the one which is being wound and the process of winding gets continued to the second layer.

Once the whole of the second layer of winding gets completed the same coir twine is continued to be wound for the third layer, which is wound vertically to the frame and in the end it is knotted to the nail that is placed in a corner of the frame. Then the desired colored coir twine is weaved by inserting it in the spaces in-between the layers of the coir twine that is wound. This colored coir twine is weaved according to the 'X' pattern on these three layers of coir twine by using the knotting technique. Once the weaving is completed, the extra coir twine is cut and the mat is removed from the wooden frame. As a final practice, whole of the mat is cross-checked by the artisan and kept for the sales.

The main steps in Coir frame mat making are illustrated in the flow chart below:

**01**

Bundle of coir twine is segregated according to the requirement.

**02**

The coir twine is spilt and tied to the first needle of the frame.

**03**

Coir is looped/wound between the nails that are vertically placed on the wooden frame.

**04**

Second layer of the coir is wound horizontally upon the first vertical layer.

**05**

Third layer is again wound vertically.

**06**

Desired colored coir is added/attached for weaving.

**07**

As a border two rounds of coir is weaved in 'x' pattern knotting, accordingly.

**08**

Once the process of weaving is completed the extra coir twine is cut.

**09**

The mat is removed from the nailed wooden frame.

**10**

The final product of coconut coir mat gets ready to be sold.





### 10.3. Installed capacity

#### a) Coir Two Ply Yarn Spinning

The installed capacity of the proposed Coir yarn spinning unit is 80 kgs per shift. It has been proposed to purchase 4 Nos. of yarn spinning machine. On single shift operation for 300 working days per annum, the installed capacity is worked out to 216 tons per annum

Capacity per machine per shift	80 kgs
Number of machines	4
Number of shifts per day	1
Number of days per annum	300 days
Installed Capacity per annum	9.60 tons

The capacity utilization has been proposed at 70%, 80% and 90% in the first, second and subsequent years respectively.

### 10.4. Plant and Machinery

#### a) Coir Two Ply Yarn Spinning

The list of machineries proposed for the Coir Yarn spinning facility is given below:

S.No	Name of the Machineries & Specifications
1.	Turbo Willowing Machine - 3 HP
2.	Double Head Double Combing 2 Ply Coir Yarn Spinning Machine - 1.5 HP, 1440 RPM Motor
3.	Auto Feed For Double Head Spinning Machine With 0.5 HP Motor 1440 RPM and Gear Box coupled with 0.5 HP Motor
4.	Auto Rewinding Machine

Totally 4 Nos. of Coir spinning machines is proposed for making of coir two ply yarn, to be established in CFC-I & II.

### 10.5. Establishment and operation cost for each CFC

The components and the cost thereof for the establishment and operation of each of the 7 CFCs are mentioned below:

Cost Of Project	CFC-1	CFC-2	CFC-3	CFC-4	CFC-5	CFC-6	CFC-7	Total	SFURTI Grant	SPV Share
Land	Leased	Leased	Leased	Leased	Leased	Leased	Leased	-	-	-
Building & Civil works	21.00	9.00	9.00	9.00	9.00	7.20	7.20	<b>71.40</b>	64.26	7.14
Plant and Machinery	21.00	19.00	4.40	4.40	4.40	4.40	4.40	<b>62.00</b>	55.80	6.20
Electricals & accessories	0.75	0.75	0.50	0.50	0.50	0.50	0.50	<b>4.00</b>	3.60	0.40
Handling infrastructure	6.00	0.00	0.00	0.00	0.00	0.00	0.00	<b>6.00</b>	5.40	0.60
Contingencies	1.08	0.56	0.35	0.35	0.35	0.31	0.31	<b>3.30</b>	0.00	3.30
Deposits	0.20	0.20	0.12	0.12	0.12	0.12	0.12	<b>1.00</b>	0.00	1.00
Prel. & Preoperative Exp	0.20	0.20	0.12	0.12	0.12	0.12	0.12	<b>1.00</b>	0.00	1.00
Working Capital Margin	5.00	3.00	2.00	2.00	2.00	2.00	2.00	<b>18.00</b>	16.20	1.80
<b>Total</b>								<b>166.70</b>	<b>145.26</b>	<b>21.44</b>

## 10.6. Power

The connected load requirement estimated for the project is 40 HP (Unit I, II- 20 HP & Unit III to VII- 20 HP). The power connection could be availed through Single window scheme of District Industries Center.

## 10.7. Manpower

The manpower requirement estimated for the project is given hereunder:

Description	Nos.
Manager	1
Supervisors	2
Female workers (Unskilled )	10
Admin and Accounts	2
Security	3
<b>Total</b>	<b>18</b>

The required manpower would be sourced from within the cluster villages.

## 10.8. Operation and Maintenance

The SPV is responsible for the operation and maintenance of the project assets and the SPV has to manage the entire operation on its own. The IA will periodically monitor the expenditure incurred towards operation and maintenance. The operation and maintenance cost of the project is proposed to be managed with the income from commercial operations of the project.

## 10.9. Statutory Approvals

Statutory compliances include local body clearance, Fire, Health, Inspector of factories, GST Registration etc. The same may be applied for Single window clearance through District Industries Center.

# 11 Project Cost & Means of Finance

The estimated project cost based on the computations of the project interventions and the means of finance for the project is given below:

S.No.	Proposed Interventions	Project Cost (Rs.Lakhs)	GOI Share (Rs.Lakhs)	SPV Share (Rs.Lakhs)
<b>1</b>	<b>SOFT INTERVENTIONS</b>			
<b>1.1</b>	<b>Capacity Building</b>			
1.1.1	Trust building and motivational programme	1.00	1.00	-
1.1.2	Awareness Programme	1.00	1.00	-
1.1.3	Skill Upgradation Programme	5.00	5.00	-
1.1.4	Exposure Tour	2.00	2.00	-
	<b>Total Capacity Building cost</b>	<b>9.00</b>	<b>9.00</b>	-
<b>1.2</b>	<b>Market Promotion</b>			
1.2.1	Participation in Trade fairs	2.00	2.00	
1.2.2	Design Development Programme	2.00	2.00	-
1.2.3	Tie up with Business Development Service (BDS) providers	1.00	1.00	-
	Total Market Promotion cost	<b>5.00</b>	<b>5.00</b>	-
	<b>Total Soft Interventions Cost</b>	<b>14.00</b>	<b>14.00</b>	-

Contd...

S.No.	Proposed Interventions	Project Cost (Rs.Lakhs)	GOI Share (Rs.Lakhs)	SPV Share (Rs.Lakhs)
<b>2</b>	<b>HARD INTERVENTIONS</b>			
<b>2.1</b>	<b>Building for CFC (Unit I, II, III, IV, V, VI &amp; VII)</b>	<b>71.40</b>	<b>64.26</b>	<b>7.14</b>
<b>2.2</b>	<b>Machinery &amp; other components of Hard Interventions</b>			
2.2.1	Common facility Centre I	21.00	18.90	2.10
2.2.2	Common facility Centre II	19.00	17.10	1.90
2.2.3	Common facility Centre III	4.40	3.96	0.44
2.2.4	Common facility Centre IV	4.40	3.96	0.44
2.2.5	Common facility Centre V	4.40	3.96	0.44
2.2.6	Common facility Centre VI	4.40	3.96	0.44
2.2.7	Common facility Centre VII	4.40	3.96	0.44
	<b>Total - Machinery cost</b>	<b>62.00</b>	<b>55.80</b>	<b>6.20</b>
2.2.8	Electricals & accessories	4.00	3.60	0.40
2.2.9	Handling infrastructure - Mini truck (Hi deck) & Trolleys	6.00	5.40	0.60
	<b>Other Infrastructure Cost</b>	<b>10.00</b>	<b>9.00</b>	<b>1.00</b>
2.2.10	Working Capital	18.00	16.20	1.80
	Total - Machinery & other components of Hard Interventions	90.00	81.00	9.00
	<b>Total Hard Interventions Cost (2.1 + 2.2)</b>	<b>161.40</b>	<b>145.26</b>	<b>16.14</b>
	<b>TOTAL INTERVENTIONS COST (SOFT &amp; HARD)</b>	<b>175.40</b>	<b>159.26</b>	<b>16.14</b>
<b>3</b>	Cost of Technical Agency (8% of HI Grant)	<b>12.91</b>	<b>12.91</b>	-
<b>4</b>	Cost of Implementing Agency (8% of HI Grant)	<b>12.91</b>	<b>12.91</b>	-
	<b>TOTAL PROJECT COST</b>	<b>201.22</b>	<b>185.08</b>	<b>16.14</b>

### 11.1. Cost of Establishment & Operation Common Facility Center

The project components and the cost thereof are mentioned below:

(Rs.Lakhs)

Cost Of Project	Total	SPV Share	Gol Grant
<b>Hard Interventions - Grant Components</b>			
Building & Civil works	66.00	7.14	64.26
Plant and Machinery	62.00	6.20	55.80
Electricals & accessories	4.00	0.40	3.60
Handling infrastructure	6.00	0.60	5.40
Working Capital	18.00	1.80	16.20
<b>Total</b>	<b>161.40</b>	<b>16.14</b>	<b>145.26</b>
<b>Other Non-Grant components</b>			
Contingencies (2.00%)	3.28	3.28	-
Deposits	1.02	1.02	-
Prel. & Pre-operative Expenses	1.00	1.00	-
<b>Total</b>	<b>5.30</b>	<b>5.30</b>	<b>-</b>
<b>GRAND Total</b>	<b>166.70</b>	<b>21.44</b>	<b>145.26</b>

The CFC cost of establishment and operation works out to Rs.166.70 Lakhs, of which Rs.21.44 lakhs will be the SPV share and Rs.145.26 lakhs will be the Grant component under SFURTI from the Government of India. The above project cost includes **Hard interventions viz. Building and Core machinery components and Working capital amounting to Rs.161.40 lakhs**, which are to be contributed by SPV and Gol in 10:90 ratio. Lateral components viz. Contingencies, Deposits, Prel. & Preop. Expenses & Working capital amounts to Rs.5.30 lakhs, for which Gol Grant is not applicable and the cost would be borne by the SPV separately.

### 11.2 Working Capital

Working capital gap for the first year of operation works out to Rs.18.00 lakhs. This is based on 30 days stock of raw materials, 30 days work-in-progress, 25 days finished goods stock and receivables for 21 days. The SPV would contribute Rs.1.80 lakhs (10%) of the total working capital requirement and Rs.16.20 lakhs (90%) would be met by the Gol grant under SFURTI. The increase in working capital in the subsequent years of operation will be met by internal generation. The details are provided in **Financial Statement 2**.

# 12 Plan for Convergence of Initiatives

The initiatives for convergence of schemes and leveraging of resources from various sources are under exploration viz.

- Dovetailing the benefits of other Coir Board schemes such as Coir Udyami Yojana, Export market promotion scheme etc. and also from other MSME schemes such as NEEDS, Capital subsidy scheme etc. to cluster members
- Exploring the opportunities for private sector participation in the cluster development project
- Exploring Corporate Social Responsibility (CSR) foundations with proven track record for additional funding.
- Exploring the possibilities to dovetail funds from various state and central government schemes over and above the funds sanctioned for SFURTI scheme (without duplication of funding for a specific project component).

The above initiatives would be undertaken with the participation of stakeholders on approval of the project. Notwithstanding the above initiatives, it is expected that the benefits of various other schemes such as NEEDS, PMEGP etc. for individual cluster members are foreseen as below:

Scheme	No. of beneficiaries/ Activity	Cost of project	Scheme Funding	Bank Loan	Promoter Contribution
PMEGP	5 (Coir yarn spinning units)	5 members x Rs.15.00 lakhs = Rs.75.00 lakhs	Rs.26.25 Lakhs	Rs.45.00 Lakhs	Rs.3.75 Lakhs
PMEGP	5 (Coir Mat making units)	5 members x Rs.5.00 lakhs = Rs.25.00 lakhs	Rs.8.75 Lakhs	Rs.15.00 Lakhs	Rs.1.25 Lakhs
	<b>Total</b>	<b>Rs.100.00 lakhs</b>	<b>Rs.35.00 lakhs</b>	<b>Rs.60.00 lakhs</b>	<b>Rs.5.00 lakhs</b>

The additional investment estimated in the cluster is Rs.100.00 Lakhs with the scheme funding of Rs.35.00 lakhs, bank credit of Rs.60.00 lakhs and the promoter's contribution of Rs.5.00 lakhs.



# 13 Enhanced Project Cost & Means of Finance

The Project cost and Means of Finance of CORE SFURTI project is illustrated in Chapter 11. Convergence of initiatives would be undertaken to improve the viability of projects, strengthening the value chains and market linkages and to enable the overall improvement of the level of human development in the area.

Considering the convergence of other scheme benefits for individual cluster members, as foreseen in Chapter 12, the enhanced project cost and means of finance is given below:

(Rs.Lakhs)

S.No.	Component	Total Cost	Grant Component	Promoter's Contribution & Bank Loan
1	Core SFURTI	205.54	189.20	16.34
2	Convergence initiatives (Establishment of individual units under various schemes)	100.00	35.00	65.00
<b>Total</b>		<b>305.54</b>	<b>224.20</b>	<b>81.34</b>

The enhanced project cost including the Core SFURTI and other convergence initiatives works out to Rs.305.54 lakhs, whereas the corresponding Grant component is Rs.224.20 lakhs and that of Contribution and bank loan is Rs.81.34 lakhs.

# 14 Project Timeline

The project implementation schedule with details of the activities to be undertaken and the expected time frame (quarter wise) for each activity is given below:

S.No.	Proposed Interventions	Period	
		Year	Quarter
<b>1</b>	<b>SOFT INTERVENTIONS</b>		
<b>1.1</b>	<b>Capacity Building</b>		
1.1.1	Trust building and motivational programme	I	Q1
1.1.2	Awareness Programme	I	Q2
1.1.3	Entrepreneurship Development Programme	I	Q2
1.1.4	Skill Upgradation Programme	I	Q3,Q4
1.1.5	Exposure Tour	I	Q2
<b>1.2</b>	<b>Market Promotion</b>		
1.2.1	Market Study Tours	II	Q1/Q2
1.2.2	Participation in Trade fairs	II	Q2/Q3
1.2.3	Design Development Programme	II	Q3/Q4
1.2.4	Tie up with BDS providers	II	Q1/Q2
<b>2</b>	<b>HARD INTERVENTIONS</b>		
<b>2.2</b>	<b>Building for CFC</b>	I	Q3,Q4
<b>2.3</b>	<b>Machinery for Common Facility Proposed</b>		
2.3.2	Automatic Yarn Spinning	II	Q1
2.2.5	Coir Handicrafts & Idols	II	Q2
2.2.6	Coir Frame Mats	II	Q2
2.2.7	Electricals & accessories	II	Q1

# 15 Detailed Business Plan

The cost of production and profitability projection are presented in Statement-4. The assumptions for working the cost of production & profitability are given below:

<b>Assumptions For Cost Of Production And Profitability</b>	
<b>a. Coir Yarn Spinning</b>	
Capacity per machine per shift	80.00 Kgs.
Number of machines	4
Number of shifts per day	1
Number of days per annum	300.00
Installed Capacity per annum	92.00 Tons
Selling price of Coir Yarn	Rs. 38,000.00 per Ton
<b>b. Coir Mats</b>	
Annual Sales realization - Sale of Mats	Rs. 36.00 lakhs in the first year of operation and 20% increase in subsequent years
Cost of consumables & labour	25% of Sales Realization
<b>c. Coir Handicrafts</b>	
Annual Sales realization - Sale of Handicrafts	Rs. 10.00 lakhs in the first year of operation and 20% increase in subsequent years
Cost of consumables & labour	25% of Sales Realization
<b>d. Coir Moulded Idols</b>	
Annual Sales realization - Sale of Mats	Rs. 12.00 lakhs in the first year of operation and 20% increase in subsequent years
Cost of consumables & labour	25% of Sales Realization
<b>Capacity Utilization</b>	
- First year	70%
- Second year	80%
- Third year onwards	90%
Lease Rental for CFC land	Rs.138,000 per year in the first year and 5% increase every five years as per lease deed
Power Cost	Rs.6.00 per KWH
Repairs & Maintenance: 2.00% of plant & machinery cost in the 1st year of operation & 10% increase in every subsequent years	
Administrative Expenses	1.00% Of sales realization
Selling Expenses	2.00% Of sales realization

The Sales Realization, Profitability and Break Even point worked out on the above said assumptions are given below:

(Rs.lakhs)

Year	1	2	3	4	5
Annual Sales Realization	75.88	90.03	106.50	123.21	143.25
Profit Bef. Tax	29.22	38.57	49.52	60.31	73.42
Provision for taxation	4.04	9.15	14.40	19.28	24.73
Profit after Tax	25.18	29.42	35.12	41.03	48.70
Break Even Point	39%	34%	29%	26%	23%

Net Present Value (NPV) : Rs.47.83 lakhs

Internal Rate of Return (IRR) : 16.90 %

### Project Financials:

The project financials comprises the following statements, which are enclosed in the Annexure separately:

Statement 1: Cost of Project and Means of Finance

Statement 1.1: Estimation of Deposits / Advances

Statement 1.2: Preliminary and Preoperative Expenses

Statement 2: Assessment of Working Capital

Statement 3: Cost of Production & Profitability

Statement 4: Assumptions for Cost of Production and Profitability

Statement 5: Calculation of Income Tax

Statement 6: Estimation of Power Cost

Statement 7: Manpower Requirement and Estimation of Cost

Statement 8: Estimation of Depreciation

Statement 9: Projected Cash-Flow Statement

Statement 10: Projected Balance Sheet

Statement 11: Estimation of Break-Even Point

Statement 12: Estimation of Net Present Value and Internal Rate of Return

# 16 Proposed Implementation Framework

## 16.1 Role of Implementing Agency

The role and responsibility of the IA includes the following:

- a) Recruit a full time CDE preferably one amongst the stakeholders who has the desired knowledge and capability in order to ensure efficient implementation of the project
- b) The IA would implement various interventions as outlined in the approved DPR
- c) Undertake procurement and appointment of contractors, when required, in a fair and transparent manner
- d) The IA will enter into an agreement with the Nodal Agency for timely completion on cluster intervention and proper utilization of Government Grants
- e) Operation & Maintenance (O&M) of assets created under the project by way of user-fee based model
- f) Responsible for furnishing Utilization Certificates (UCs) and regular Progress reports to Nodal Agency in the prescribed formats.

## 16.2 Details of Strategic Partners

The cluster is proposed to be developed under SFURTI (Scheme of Fund for Regeneration of Traditional Industries). The Coir Board is the Nodal agency (NA) and ITCOT Consultancy and Services Limited is the Technical Agency (TA) appointed by Coir Board. The Technical agency will identify a potential Implementing agency (IA) for the cluster. The Implementing agency is **M/s. Jaya Durga Mahila Samity**, having its registered office at Balapur Post, Satasankha Via, Sathyabadi Block, Puri District. The above agencies work in tandem towards the successful implementation of the project in a sustainable manner.

## 16.3 Structure of the SPV

A Special Purpose Vehicle (SPV) is formed and registered as Trust in the name of “**M/s Radharani Coir Association**” as per the Trust Deed dated 12.12.2017. The registration has been carried out with 7 trustees, who have evinced interest are

proposed to be included as shareholders. The SPV will be strengthened to manage the Cluster activities in sustainable nature after the project implementation is over.

#### **16.4 Composition of the SPV**

An SPV is formed with 7 trustees and the list is given below:

<b>S.No.</b>	<b>Name</b>	<b>Age</b>	<b>Designation</b>	<b>Occupation</b>
1.	Ms.Swarnalata Dash	27 years	Trustee	Social worker
2.	Ms.Bishnupriya Sahoo	55 years	Trustee	Coir Entrepreneur
3.	Ms.Binodini Mohapatra	56 years	Trustee	Coir Entrepreneur
4.	Ms.Nisa Bewa	55 years	Trustee	Coir Entrepreneur
5.	Ms.Annapurna Mishra	68 years	Trustee	Coir Entrepreneur
6.	Ms.Mamata Barik	32 years	Trustee	Coir Entrepreneur
7.	Ms.Basanti Sahoo	43 years	Trustee	Coir Entrepreneur

# 17 Expected Impact

The pre-intervention & post-intervention scenario of the cluster is given below:

S. No.	Parameter	Pre-Intervention	Post-intervention		
			Y 1	Y 5	Y 10
1	Cluster Turnover (Rs. Lakhs)	150.00	380.00	438	550
2	Investment (Rs. Lakhs)	65.00	285.00	320.00	400.00
3	Wages per day (Rs.)	120.00	200-220	300-320	450-480
4	Profitability (%)	8-10%	18-20%	18-20%	18-20%

- Sustainable livelihood for artisans engaged in cluster activities.
- Strengthened backward (input procurement) and forward linkages (market).
- Establishment of new units by converging various schemes of State and Central Governments (such as CITUS, PMEGP etc.) resulting in additional investments and employment in Coir sector by the cluster members
- Improved access to financial capital for cluster members
- 100% Coverage of cluster artisans under social security schemes

# Financial Statements



DETAILED PROJECT REPORT ON PURI RADHARANI COIR CLUSTER DEVELOPMENT UNDER SFURTI

			Statement	1								
<b>COST OF PROJECT AND MEANS OF FINANCE</b>												
<b>Cost Of Project</b>		CFC-1	CFC-2	CFC-3	CFC-4	CFC-5	CFC-6	CFC-7	<b>Total</b>		SPV Share	SFURTI Grant
Land		Leased	Leased	Leased	Leased	Leased	Leased	Leased			-	-
Building & Civil works	Annexure-1	21.00	9.00	9.00	9.00	9.00	7.20	7.20	<b>71.40</b>		7.14	64.26
Plant and Machinery	Annexure-2	21.00	19.00	4.40	4.40	4.40	4.40	4.40	<b>62.00</b>		6.20	55.80
Electricals & accessories		0.75	0.75	0.50	0.50	0.50	0.50	0.50	<b>4.00</b>		0.40	3.60
Handling infrastructure (Mini truck - Hi desk)		6.00	0.00	0.00	0.00	0.00	0.00	0.00	<b>6.00</b>		0.60	5.40
Contingencies	2.50%	1.07	0.56	0.35	0.35	0.35	0.30	0.30	<b>3.28</b>		3.28	0.00
Deposits (as per statement 1.1)		0.21	0.21	0.12	0.12	0.12	0.12	0.12	<b>1.02</b>		1.02	0.00
Prel. & Pre-operative Expenses		0.20	0.20	0.12	0.12	0.12	0.12	0.12	<b>1.00</b>		1.00	0.00
Working Capital Margin	Statement 2	5.00	3.00	2.00	2.00	2.00	2.00	2.00	<b>18.00</b>		1.80	16.20
<b>Total</b>									<b>166.70</b>		<b>21.44</b>	<b>145.26</b>
<b>Means of Finance</b>												
SPV Share		21.44										
SFURTI Grant		145.26										
<b>Total</b>		<b>166.70</b>										

DETAILED PROJECT REPORT ON PURI RADHARANI COIR CLUSTER DEVELOPMENT UNDER SFURTI

<b>EB DEPOSITS</b>				Statement-1.1									
<u>Deposits payable to EB for CFC 1 &amp; 2</u>	<b>20</b>	<b>HP Power Connection</b>											
	<b>Amount</b>	<b>Total</b>											
<b>Details</b>	<b>Per HP</b>	(Rs.Lakhs)											
Development Charges	Rs.200	0.04											
Earnest Money Deposits	Rs.600	0.12											
Security Deposit	Rs.600	0.12											
		0.28											
<b>Total</b>		<b>0.28</b>	say	<b>Rs.0.28</b>	<b>Lakhs</b>								
<u>Deposits payable to EB for CFC III to VII</u>	<b>20</b>	<b>HP Power Connection</b>											
	<b>Amount</b>	<b>Total</b>											
<b>Details</b>	<b>Per HP</b>	(Rs.Lakhs)											
Development Charges	Rs.200	0.04											
Earnest Money Deposits	Rs.600	0.12											
Security Deposit	Rs.600	0.12											
		0.28											
<b>Total</b>		<b>0.28</b>	say	<b>Rs.0.28</b>	<b>Lakhs</b>								
Total EB Deposits		Rs. 0.56	lakhs										
Other Deposits		Rs. 0.46	lakhs										
<b>Total Deposits</b>		<b>1.02</b>	say	<b>Rs.1.02</b>	<b>Lakhs</b>								
				<b>Statement-1.2</b>									
<b>PRELIMINARY AND PREOPERATIVE EXPENSES</b>													
Statutory fees (CTO, Land Regn. etc.)	0.40												
Trial run expenses	0.60												
	<b>1.00</b>												

DETAILED PROJECT REPORT ON PURI RADHARANI COIR CLUSTER DEVELOPMENT UNDER SFURTI

<b>ASSESSMENT OF WORKING CAPITAL</b>							Statement-2							
<b>Current Assets</b>	Days	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>								
Stock of Raw Materials	30	1.45	1.74	2.09	2.51	3.01								
Work-in-process	30	3.63	4.07	4.58	5.12	5.75								
Finished products	25	3.03	3.39	3.81	4.26	4.79								
Receivables	30	7.59	9.00	10.65	12.32	14.33								
Cash and Bank balance		2.00	2.29	2.57	2.57	2.57								
Other current assets		0.50	0.57	0.64	0.64	0.64								
<b>Total</b>		<b>18.20</b>	<b>21.07</b>	<b>24.34</b>	<b>27.42</b>	<b>31.09</b>								
<b>Current Liabilities</b>														
Other Current Liabilities		0.20	0.21	0.22	0.23	0.24								
<b>Total</b>		<b>0.20</b>	<b>0.21</b>	<b>0.22</b>	<b>0.23</b>	<b>0.24</b>								
<b>Working Capital Gap</b>														
Margin		18.00	20.86	24.12	27.19	30.84								

DETAILED PROJECT REPORT ON PURI RADHARANI COIR CLUSTER DEVELOPMENT UNDER SFURTI

					Statement	3							
<b>COST OF PRODUCTION &amp; PROFITABILITY</b>													
					<b>RS.LAKHS</b>								
<b>Years</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>							
<b>Installed Capacity per annum</b>													
Coir Yarn Spinning	Tons	96.00	96.00	96.00	96.00	96.00							
Capacity Utilisation	%	70%	80%	90%	90%	90%							
<b>Production Quantity per annum</b>													
Coir Yarn Spinning	<i>Tons</i>	67.20	76.80	86.40	86.40	86.40							
Nett Yarn quantity available after Mat making	<i>Tons</i>	47.04	53.76	60.48	60.48	60.48							
<b>User Charge / Sales Realisation (Rs. Lakhs)</b>													
Coir Yarn (Nett of CFC Consumption)	Rs.38,000	17.88	20.43	22.98	22.98	22.98							
Coir Mats (Frame mats, Corridor mats etc.)		36.00	43.20	51.84	62.21	74.65							
Coir Handicrafts & Jewellery		10.00	12.00	14.40	17.28	20.74							
Coir Moulded idols		12.00	14.40	17.28	20.74	24.88							
<b>Annual Sales Realisation</b>		<b>75.88</b>	<b>90.03</b>	<b>106.50</b>	<b>123.21</b>	<b>143.25</b>							

DETAILED PROJECT REPORT ON PURI RADHARANI COIR CLUSTER DEVELOPMENT UNDER SFURTI

<b>Cost Of Production</b>				Statement-3 contd...								
<b>Raw material requirement</b>												
<b>Coir Fibre</b>												
Coir Fibre requirement	<i>Tons</i>	73.92	84.48	95.04	95.04	95.04						
<b>Coir Yarn:</b>												
Coir Yarn production in CFC		67.20	76.80	86.40	86.40	86.40						
- Yarn requirement for Mats	30%	20.16	23.04	25.92	25.92	25.92						
Total Yarn requirement for CFC		20.16	23.04	25.92	25.92	25.92						
Surplus yarn available for external sales		47.04	53.76	60.48	60.48	60.48						
<b>Cost of raw material</b>												
Cost of Coir Fibre	Rs.18,500	13.68	15.63	17.58	17.58	17.58						
Coir Mats consumables	25%	9.00	10.80	12.96	15.55	18.66						
Coir Handicrafts & Moulded idols consumbles	25%	5.50	6.60	7.92	9.50	11.40						
Lease Rental for CFC Land		1.38	1.52	1.69	1.86	2.06						
Cost Of Power	Statement 6	2.72	3.11	3.50	3.50	3.50						
Salary & Wages	Statement 7	16.50	17.33	18.19	19.10	20.06						
Repairs & Maintenance	2.00%	1.24	1.36	1.50	1.65	1.82						
		<b>36.34</b>	<b>40.72</b>	<b>45.76</b>	<b>51.17</b>	<b>57.50</b>						
Administrative Expenses	1.00%	0.76	0.90	1.07	1.23	1.43						
Marketing Expenses	2.00%	1.52	1.80	2.13	2.46	2.87						
Prel. & Preop. Expenses (w/o)	10.00%	0.10	0.10	0.10	0.10	0.10						
Depreciation	Statement 8	7.94	7.94	7.94	7.94	7.94						
<b>Total</b>		<b>46.65</b>	<b>51.46</b>	<b>56.99</b>	<b>62.90</b>	<b>69.83</b>						
<b>Profit Bef. Tax</b>		<b>29.22</b>	<b>38.57</b>	<b>49.52</b>	<b>60.31</b>	<b>73.42</b>						
Provision for taxation		4.04	9.15	14.40	19.28	24.73						
<b>Profit after Tax</b>		<b>25.18</b>	<b>29.42</b>	<b>35.12</b>	<b>41.03</b>	<b>48.70</b>						

DETAILED PROJECT REPORT ON PURI RADHARANI COIR CLUSTER DEVELOPMENT UNDER SFURTI

						Statement	4								
<b>Assumptions For Cost Of Production And Profitability</b>															
<b>a. Coir Yarn Spinning</b>															
Capacity per machine per shift	80.00	Kgs.													
Number of machines	4														
Number of shifts per day	1														
Number of days per annum	300.00														
Installed Capacity per annum	96.00	Tons													
Selling price of Coir Yarn	Rs. 38,000.00	per Ton													
<b>b. Coir Mats</b>															
Annual Sales realisation - Sale of Mats	Rs. 36.00	lakhs in the first year of operation and 20% increase in subsequent years													
Cost of consumbles & labour	25%	of Sales Realization													
<b>c. Coir Handicrafts</b>															
Annual Sales realisation - Sale of Handicrafts	Rs. 10.00	lakhs in the first year of operation and 20% increase in subsequent years													
Cost of consumbles & labour	25%	of Sales Realization													
<b>d. Coir Moulded Idols</b>															
Annual Sales realisation - Sale of Mats	Rs. 12.00	lakhs in the first year of operation and 20% increase in subsequent years													
Cost of consumbles & labour	25%	of Sales Realization													
<b>Capacity Utilisation</b>															
- First year	70%														
- Second year	80%														
- Third year onwards	90%														
Lease Rental for CFC land	Rs.138,000	per year in the first year and 5% increase every five years as per lease deed													
Power Cost	Rs.6.00	per KWH													
Repairs & Maintenance	2.00%	Of plant and machinery cost in the first year of operation and 10% increase in every subsequent years													
Administrative Expenses	1.00%	Of sales realisation													
Selling Expenses	2.00%	Of sales realisation													

DETAILED PROJECT REPORT ON PURI RADHARANI COIR CLUSTER DEVELOPMENT UNDER SFURTI

					Statement	5							
<b>CALCULATION OF INCOME TAX</b>													
				RS.LAKHS									
<b>Years</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>							
Net Profit		29.22	38.57	49.52	60.31	73.42							
Add: Straight Line Dep.		7.94	7.94	7.94	7.94	7.94							
Less: Wdv Depreciation		25.61	20.37	16.31	13.17	10.72							
Total		11.55	26.14	41.14	55.07	70.64							
Income Bef. Incentives		11.55	26.14	41.14	55.07	70.64							
Less: Deductions	0%	0.00	0.00	0.00	0.00	0.00							
Taxable Income		11.55	26.14	41.14	55.07	70.64							
Income Tax	35%	4.04	9.15	14.40	19.28	24.73							
Loss C/F		0.00	0.00	0.00	0.00	0.00							
Profit After Tax		25.18	29.42	35.12	41.03	48.70							

DETAILED PROJECT REPORT ON PURI RADHARANI COIR CLUSTER DEVELOPMENT UNDER SFURTI

					Statement	6								
<b>ESTIMATION OF POWER COST</b>														
					RS.LAKHS									
Connected Load - CFC 1 & 2	20.00													
Connected Load - CFC 3 to 7	20.00													
<b>Connected Load</b>	<b>40.00</b>	HP												
		<b>ANNUAL POWER COST</b>												
Years		1	2	3	4	5								
Working Days		300	300	300	300	300								
Capacity Utilisation		70%	80%	90%	90%	90%								
Number of hours per shift														
<b>Power consumption per annum (KWH)</b>		67200	76800	86400	86400	86400								
<b>Annual Power Bill</b>		<b>2.72</b>	<b>3.11</b>	<b>3.50</b>	<b>3.50</b>	<b>3.50</b>								
<b>Assumptions:</b>														
Power Factor	0.90													
Average Load Factor	0.75													
Average Power Cost/K W H	Rs.6.00													
No. of working hours per shift	8.00													
No. of shifts per day	1													



DETAILED PROJECT REPORT ON PURI RADHARANI COIR CLUSTER DEVELOPMENT UNDER SFURTI

				Statement	7								
<b>MANPOWER REQUIREMENT AND ESTIMATION OF COST</b>													
			RS.LAKHS										
<b>Description</b>	<b>Nos.</b>	<b>Salary</b>	<b>Annual</b>										
		<b>per month</b>	<b>Salary</b>										
Manager	1	12500	150000										
Supervisors	2	8500	204000										
Female workers (Unskilled )	10	7000	840000										
Admin and Accounts	2	7500	180000										
Security	3	3500	126000										
<b>Total</b>	<b>18</b>		<b>1500000</b>										
	Add: Benefits	10%	150000										
	<b>Grant Total</b>		<b>1650000</b>										

DETAILED PROJECT REPORT ON PURI RADHARANI COIR CLUSTER DEVELOPMENT UNDER SFURTI

						Statement	8					
<b>ESTIMATION OF DEPRECIATION</b>												
			RS.LAKHS									
<b>Straight Line Method</b>	VALUE	DEP. RATE	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>					
Building & Civil works	73.19	3.34%	2.44	2.44	2.44	2.44	2.44		1.00	0.013664		
Plant & Machinery	64.55	7.40%	4.78	4.78	4.78	4.78	4.78			0.0154919		
Electricals	4.10	6.33%	0.26	0.26	0.26	0.26	0.26			0.2439024		
<b>Total</b>	<b>147.99</b>		<b>7.94</b>	<b>7.94</b>	<b>7.94</b>	<b>7.94</b>	<b>7.94</b>					
<b>WDV Method</b>												
Building & Civil works		10.00%	7.32	6.59	5.93	5.34	4.80					
WDV	73.19		65.87	59.28	53.35	48.02	43.22					
Plant & Machinery		25.00%	16.14	12.10	9.08	6.81	5.11					
WDV	64.55		48.41	36.31	27.23	20.42	15.32					
Electricals		15.00%	0.62	0.52	0.44	0.38	0.32					
WDV	4.10		3.49	2.96	2.52	2.14	1.82					
<b>Total</b>	<b>147.99</b>		<b>25.61</b>	<b>20.37</b>	<b>16.31</b>	<b>13.17</b>	<b>10.72</b>					
Note: Contingency & Pre-operatives are apportioned with the cost of assets.												

DETAILED PROJECT REPORT ON PURI RADHARANI COIR CLUSTER DEVELOPMENT UNDER SFURTI

<b>PROJECTED CASH-FLOW STATEMENT</b>												
					Statement	9						
					RS.LAKHS							
<b>Years</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>						
<b>Source Of Funds</b>												
Promoters Capital	21.44											
SFURTI Grant	145.26											
Profit Before Int.,Dep. & Tax		37.16	46.50	57.45	68.24	81.36						
Increase in W.C.Loan		0.00	0.00	0.00	0.00	0.00						
<b>Total</b>	<b>166.70</b>	<b>37.16</b>	<b>46.50</b>	<b>57.45</b>	<b>68.24</b>	<b>81.36</b>						
<b>Uses</b>												
Inc. in Capital Expenditure	146.68											
Deposits (as per statement 1.1)	1.02											
Increase in W.Capital		18.00	2.86	3.26	3.07	3.65						
Provision For Taxation		4.04	9.15	14.40	19.28	24.73						
<b>Total</b>	<b>147.70</b>	<b>22.04</b>	<b>12.00</b>	<b>17.66</b>	<b>22.34</b>	<b>28.38</b>						
Surplus	19.00	15.12	34.50	39.79	45.90	52.98						
Opening Balance	0.00	19.00	34.12	68.61	108.40	154.30						
Closing Balance	19.00	34.12	68.61	108.40	154.30	207.28						

DETAILED PROJECT REPORT ON PURI RADHARANI COIR CLUSTER DEVELOPMENT UNDER SFURTI

<b>PROJECTED BALANCE SHEET</b>							Statement	10
				RS.LAKHS				
Years	PR. PERIOD	1	2	3	4	5		
<b>Liabilities</b>								
Promoters Capital	21.44	21.44	21.44	21.44	21.44	21.44		
SFURTI Grant	145.26	145.26	145.26	145.26	145.26	145.26		
Reserves & Surplus		25.18	54.60	89.72	130.75	179.45		
W.C.Borrowings		0.00	0.00	0.00	0.00	0.00		
Current liabilities		0.20	0.21	0.22	0.23	0.24		
<b>Total</b>	<b>166.70</b>	<b>192.08</b>	<b>221.51</b>	<b>256.63</b>	<b>297.68</b>	<b>346.38</b>		
<b>Assets</b>								
Gross Block	146.68	146.68	146.68	146.68	146.68	146.68		
Less: Accu. Depreciation		7.94	15.87	23.81	31.74	39.68		
Net Block	146.68	138.74	130.80	122.87	114.93	107.00		
Deposits	1.02	1.02	1.02	1.02	1.02	1.02		
Current Assets		18.20	21.07	24.34	27.42	31.09		
Closing Balance	19.00	34.12	68.61	108.40	154.30	207.28		
<b>Total</b>	<b>166.70</b>	<b>192.08</b>	<b>221.51</b>	<b>256.63</b>	<b>297.68</b>	<b>346.38</b>		
	0.00	0.00	0.00	0.00	0.00	0.00		

DETAILED PROJECT REPORT ON PURI RADHARANI COIR CLUSTER DEVELOPMENT UNDER SFURTI

					Statement	11							
<b>ESTIMATION OF BREAK-EVEN POINT</b>													
					RS.LAKHS								
<b>Years</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>								
<b>Fixed Expenses</b>													
Lease Rental for CFC Land	1.38	1.52	1.69	1.86	2.06								
Salary & Wages (50%)	8.25	8.66	9.10	9.55	10.03								
Preliminary expenses	0.10	0.10	0.10	0.10	0.10								
Repairs & Maintenance	1.24	1.36	1.50	1.65	1.82								
Depreciation	7.94	7.94	7.94	7.94	7.94								
<b>Total( A )</b>	<b>18.91</b>	<b>19.59</b>	<b>20.32</b>	<b>21.10</b>	<b>21.94</b>								
<b>Variable Expenses</b>													
Cost Of Raw Material and Consumables	14.50	17.40	20.88	25.06	30.07								
Cost Of Power	2.72	3.11	3.50	3.50	3.50								
Salary & Wages (50%)	8.25	8.66	9.10	9.55	10.03								
Administrative Expenses	0.76	0.90	1.07	1.23	1.43								
Selling Expenses	1.52	1.80	2.13	2.46	2.87								
<b>Total( B )</b>	<b>27.75</b>	<b>31.87</b>	<b>36.67</b>	<b>41.80</b>	<b>47.89</b>								
<b>Sales Realisation</b>	<b>75.88</b>	<b>90.03</b>	<b>106.50</b>	<b>123.21</b>	<b>143.25</b>								
Break Even Point	39%	34%	29%	26%	23%								

DETAILED PROJECT REPORT ON PURI RADHARANI COIR CLUSTER DEVELOPMENT UNDER SFURTI

					Statement	12							
<b>ESTIMATION OF NET PRESENT VALUE AND INTERNAL RATE OF RETURN</b>													
					RS.LAKHS								
Years	PR. PERIOD	1	2	3	4	5							
<b>Cash Out Flow</b>													
Capital Expenditure	146.68												
Preliminary & Preoperative Expenses	1.02												
Technical Know-How	0.00												
Working Capital Margin	18.00												
Total	165.70	0.00	0.00	0.00	0.00	0.00							
<b>Cash Inflow</b>													
Profit After Tax		25.18	29.42	35.12	41.03	48.70							
Depreciation		7.94	7.94	7.94	7.94	7.94							
W.C.Margin						30.84							
Residual Value Of F.Assets						36.67							
Total	0.00	33.12	37.36	43.05	48.97	124.15							
<b>Net Cash Flow</b>	<b>-165.70</b>	<b>33.12</b>	<b>37.36</b>	<b>43.05</b>	<b>48.97</b>	<b>124.15</b>							
<b>Net Present Value</b>	<b>Rs.47.83</b>	<b>lakhs</b>											
at 8% discount rate													
<b>Internal Rate of Return</b>	16.90%												

